

Supplementary Product Disclosure Statement

Edition 1

This Supplementary Product Disclosure Statement (SPDS) is dated 1 December 2018 and will apply to policies taken out, or with a renewal effective date, on or after this date.

This information in this SPDS updates and should be read with the last Product Disclosure Statement (PDS) you received for the policy specified in your policy schedule and any other applicable SPDS.

Changes to your PDS

Change 1:

External complaints are now administered by the Australian Financial Complaints Authority (AFCA).

Resolving a complaint or dispute

All references to Financial Ombudsman Service Australia Limited (FOS) and its contact phone number, is deleted and replaced with:

Australian Financial Complaints Authority (AFCA). The AFCA is contactable on 1800 931 678 (free call).

Change 2:

We have amended the definition of Total Loss in the Motor Vehicles section of the PDS.

Section 10 - Motor vehicles – 10.1 Definitions

The definition for 'Total Loss' has been deleted and replaced with the following wording:

Total Loss

When:

- a) the likely cost to repair the Vehicle plus the value of any salvage exceeds the Market Value; or
- b) the Vehicle is stolen and not recovered within a reasonable period of time as determined by us.



Insurer
Insurance Australia Limited
ABN 11 000 016 722 AFSL 227681
trading as CGU Insurance

BUSINESS INSURANCE

Product Disclosure Statement
and Policy Booklet



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- This PDS was prepared on 23rd September 2016
- This insurance is issued by Insurance Australia Limited
ABN 11 000 016 722 AFS Licence No. 227681 (IAL)
trading as CGU Insurance
- For contact details please refer to the back cover

About the Business Insurance Product Disclosure Statement and Policy Booklet

Business Insurance Product Disclosure Statement (PDS)

1. About the Business Insurance PDS

- a) This PDS has been prepared to assist you in understanding the Domestic House and Contents cover, Personal Accident and Illness cover and Motor Vehicle cover available under the Business Insurance Policy and in making an informed choice about your insurance requirements.
- b) This PDS has three parts:
 - i. Part 1 of the PDS is set out on pages 1 to 2 of this Business Insurance Product Disclosure Statement and Policy booklet. It includes information about costs and your cooling-off rights.
 - ii. Part 2 of this PDS is the information about resolving a complaint or dispute and privacy are set out on page 3.
 - iii. Part 3 of this PDS is the terms and conditions of the Policy set out in Section 7 - Personal Accident and Illness, Section 10 - Motor Vehicles and Section 15 - Domestic House and Contents, together with the General Definitions, General Exclusions - Section 16, and the General Conditions - Section 17.

2. Cost of the policy

- a) The premium payable to you for this insurance will be shown on your Certificate of Insurance.
- b) The key factors that influence the Premium calculation are reflected in the questions asked and the information sought at the time of your enquiry or application for insurance. The factors vary depending on the type of insurance you have selected.
- c) The things that can influence the Premium for these covers include:
 - i. Motor Vehicles – the make, model, type of the vehicle, the sum insured of the vehicle, how the vehicle is being used, where the vehicle is garaged and your previous claims history.
 - ii. Personal Accident and Illness – your type of occupation, the length of time you elect to wait before a claim payment will be made, the sum insured of your Average Weekly Earnings and chosen Capital Benefit.
 - iii. Domestic House and Contents – the type of property being insured, the sum insured of the Domestic House and Contents, where the property is located, the type of construction and your previous claims history.
- d) Premiums are also subject to Commonwealth and State taxes and/or charges. These include the Goods and Services Tax and stamp duty. The amount of these taxes and/or charges will be shown in your Certificate of Insurance.
- e) If you request an amendment to the cover during the Period of Insurance, you will be informed of the cost (if any) of making the amendment. The things that will influence the cost of an amendment are those listed in (c) above.

3. Is an excess payable?

- a) If you make a claim under the policy, you may have to contribute some money towards the cost of the claim which is known as an "Excess". We will tell you if you need to pay an Excess when you make a claim but this will also be set out in the terms and conditions of the Policy.
- b) The amount of any Excess and when it applies is detailed in the terms and conditions section of this booklet or your written quotation, cover note or Certificate of Insurance.
- c) When you make a claim, you may be required to pay one Excess or more.

4. Paying for your policy

- a) You can choose to pay your Premium upfront annually or by direct debit on a monthly basis. We may reward you for paying upfront annually, as the cost of the policy may be less than if you pay by monthly instalments. This is because the monthly instalments may include an administration charge for processing the payments.
- b) If you choose to pay by monthly direct debit, you must ensure that your payments are made each month. If a payment is unpaid for 14 days or more, we may refuse to pay any claim under the policy. If one instalment is outstanding for one month or more, we may elect to cancel your policy.

5. Is there a cooling-off period?

- a) There is a 21-day cooling-off period.
- b) If you are not completely satisfied with your policy, you can request cancellation in writing 21 days of the issue date and receive a full refund.

This will not apply if you make a claim within the cooling-off period.

6. How can I resolve a dispute?

- a) Our dispute resolution process is set out on page 3.

Important information

1. About the Business Insurance Policy

- a) This policy has been designed to meet the needs of a wide range of businesses, while offering the flexibility to provide for the specific insurance needs of your Business.
- b) There are 15 different types of insurance covers available under the policy which are set out in Sections 1 to 15. The General Definitions, Section 16 - General Exclusions, Section 17 - General Conditions also apply to the 15 types of cover. You should carefully read each Section and select the covers which you believe will best suit your needs.
- c) If you have any questions, please don't hesitate to contact us.

2. What makes up your contract

- a) When we accept your application, or renew your policy, or if your insurance is amended, your insurance contract is made up of the following two documents:
 - i. the terms and conditions of the policy contained in this booklet which apply to the type of cover you have selected; and
 - ii. your Certificate of Insurance, which shows the type of cover you have, any changes or addition to that cover as well as other information specific to your contract of insurance.
- b) Read this booklet and your Certificate of Insurance carefully and keep them together with your important papers.

3. How much should I insure my property for?

- a) Where cover is for a "new for old" basis, the Sum Insured you choose should reflect the full new replacement cost of the property and an allowance for professional fees and removal of debris. All amounts should include GST.
- b) Where cover is on a "market value" basis, the Sum Insured you choose should reflect the market value of the property at the time of taking out the policy (including GST).

- c) The following Sections of the policy contain underinsurance provisions which require you to insure for full value: Section 1 - Fire and Other Defined Events, Section 8 - Machinery Breakdown, Section 9 - Electronic Equipment and Section 15 - Domestic House and Contents. If you insure for less than full value, we may reduce the amount we pay you after taking into account the proportion of the underinsurance or you may be required to pay a portion of the loss yourself.
- d) Your Sum Insured under Section 1 – Fire and Other Defined Events and Section 15 – Domestic House and Contents may be increased at renewal to allow for inflation.

4. Information you need to provide

- a) When you apply for insurance you will need to give us information about you and your circumstances. We need this to decide whether to enter into an insurance contract with you and, if so, on what terms. The type of information we require depends on the Section of the policy that you want to be covered under.
- b) Any personal information you give us will be treated in accordance with the Privacy Act.

5. Claims procedures

- a) If you believe you may have a claim it is important that you carefully read and follow the general claims procedures set out in the General Conditions – Section 17(1) and the procedures set out in the Specific Conditions that apply to claims under the following Sections (if applicable);
 - i. Liability in Section 6.6; and
 - ii. Personal Accident and Illness in Section 7.6
- b) The procedures you must comply with include:
 - i. immediately contact the Police in the event of burglary or if your Property is lost, stolen, or maliciously damaged;
 - ii. take all reasonable steps to prevent or minimise any further loss, damage, or liability; and
 - iii. advise us as soon as possible, providing full details of the facts and circumstances of the loss, damage, injuries, illness, or claim against you.

General Insurance Code of Practice & Financial Claims Scheme

General Insurance Code of Practice

We support and comply with the General Insurance Code of Practice.

You can get a copy of the Code from the Insurance Council of Australia by visiting www.codeofpractice.com.au

Financial Claims Scheme

You may be entitled to payment under the financial claims scheme in the event that Insurance Australia Limited becomes insolvent. Access to the scheme is subject to eligibility criteria. Information about the scheme can be obtained from <http://www.fcs.gov.au>

Resolving a complaint or dispute

Our service commitment to you

We want to resolve any complaint or dispute you may have and aim to resolve it as quickly as possible. These steps are part of our complaint and dispute resolution procedures.

To get more details:

- Call us on 13 24 81

1. Talk to us first

The first thing you should do is talk to one of our consultants about your concerns. Call us on 13 24 81. The consultants may be able to resolve the complaint for you. If not, they will refer you to a manager or you may ask to speak to one.

The consultant or manager will try to reply to your complaint as soon as possible. If they need more information they will aim to reply within 15 business days from when they received your complaint.

2. Seek a review

If the manager can't resolve your complaint, you may ask for it to be referred to our customer relations area.

Customer relations will treat your complaint as a dispute and complete an independent review of the matter. Customer relations will contact you with a decision usually within 15 business days from when they received your dispute.

3. Seek an external review

If you are unhappy with the decision, or your complaint remains unsolved after 45 days, you may wish to seek an external review. Customer relations will provide you with information on external review options such as referring you to the Financial Ombudsman Service (FOS). You can contact the FOS on 1300 780 808.

Privacy of your personal information

Our service commitment to you

We value the privacy of personal information we collect about you.

We collect your personal information directly from you or through others including entities listed in our Privacy Policy. They include our related entities, agents and distributors.

How we use your personal information

We and the parties listed in our Privacy policy will use your personal information for the purposes it was collected for. That usually includes to provide you with assistance, a product or service you requested and to deal with claims.

Your personal information may also be used for other purposes that are set out in our Privacy Policy. You may choose to not give us your personal information. However, not giving us your personal information may affect our ability to provide you with a product or service, including processing a claim.

Further information

We may disclose your personal information to:

- our related entities
- our service providers – which includes some service providers that may be based overseas, and
- other parties as set out in our Privacy policy.

Our Privacy Policy provides more information about how we collect, from whom we collect and how we hold, use and disclose your personal information. Our Privacy Policy also provides information about how you can:

- access your personal information
- ask us to correct your personal information, and
- complain about a breach of the privacy principles set out in the Privacy Act 1988(Cth) and how we will deal with your complaint.

To get a free copy of our Privacy Policy:

- Call us on 13 24 81
- Visit cgu.com.au/privacy

Your consent

You agree to us collecting, holding, using and disclosing your personal information as set out in our Privacy Policy when you:

- provide us with your personal information, or
- apply for, use or renew any of our products or services.

Fraud hotline

A significant number of insurance claims are fraudulent. This not only leads to increased premiums for customers, but thousands of dollars are spent each year investigating fraudulent claims.

Help stop insurance fraud by calling our hotline:

1800 A FRAUD – 1800 237 283.

If you choose to give your name, it will be held in the strictest confidence.

Motor Vehicle Insurance Repair and Code of Conduct

This Code aims to promote a transparent, informed, effective and co-operative relationships between smash repairers and insurance companies based on mutual respect and open communication. We support the Code and are committed to continually reviewing our operations to make sure we comply with it.

Generally, we use the following parts to repair your Vehicle. If your Vehicle is:

- under 3 years, we use genuine new parts (when reasonably available)
- 3 years or older, we use:
 - genuine new parts, or
 - quality non-mechanical reusable parts.

Regardless of your Vehicle's age, we may use non-genuine parts for windscreens, sunroofs, window glass, radiators and air conditioning components.

We only use quality non-mechanical reusable parts when it:

- Is consistent with the age and condition of your Vehicle;
- Does not affect the safety of the structural integrity of your Vehicle;
- Complies with your Vehicle manufacturer's specifications and applicable Australian Design Rules;
- Does not adversely affect the way your Vehicle looks after it has been repaired; and
- Does not void or affect the warrant provided by your Vehicle's manufacturer.

In repairing your Vehicle, we may arrange for the repair to be carried out by a specialist service provider, for example windscreen repairs.

We offer a guarantee on the workmanship of repairs authorised by us. This guarantee is for the life of the Vehicle and is in addition to any statutory rights and warranties you may be entitled to. We will arrange for the repairs by us to be rectified at no cost to you if we agree that the repairs are defective. Before we can arrange for the defective repairs to be rectified, you must allow us to inspect the Vehicle. Wear and tear is not covered by this guarantee.

*Non-genuine parts are those parts not manufactured by a supplier to the original manufacturer of the Vehicle.

Business insurance policy – terms and conditions

Our agreement with you

- If you have paid, or agreed to pay us the Premium, we will cover you in accordance with the terms and conditions of the policy that apply to the covers selected by you and specified in your Certificate of Insurance.
- The insurance we provide in each Section of this policy is subject to the terms, Specific Conditions, Specific Exclusions, and limits set out in that Section together with The General Definitions, The General Exclusions in Section 16, The General Conditions in Section 17, and any endorsements or clauses shown in your Certificate of Insurance.
- You, or any other person insured under this policy, must comply with all applicable terms, conditions, exclusions, limits, clauses and endorsements, otherwise your claim may not be covered under this policy.

Claim payment examples

These claim payment examples show you how a claim settlement is calculated based on some practical scenarios. Any claim settlement amount will depend on the facts of each case.

Domestic house and contents claims examples

Claim Example 1: Repairing Your Home	
Excess	\$350
Loss or Damage	A storm damages the roof of your home building, and the cost of the repair is \$3,500
How we settle your claim	<ul style="list-style-type: none"> • We will arrange for builders to repair your roof • We will pay the builder \$3,150 • We will ask you to pay the builder the \$350 excess
Claim Example 2: Replacing Your Home Contents	
Excess	\$350
Loss or Damage	Someone has stolen your laptop and TV from inside your home. The cost to replace them is \$5,000
How we settle your claim	<ul style="list-style-type: none"> • We will pay our suppliers \$4,650 to replace your laptop and TV. • We will ask you to pay our suppliers the \$350 Excess.
Claim Example 3: Replacing your Portable Contents	
Excess	\$350
Loss or Damage	You lose your 18ct yellow gold ring while swimming at the beach.
How we settle your claim	<ul style="list-style-type: none"> • You will need to provide us with a current valuation for the ring. • You will also need to provide us with 2 separate quotes to replace your ring based on the description in the valuation. • We will settle your claim for your ring based on the most fair and reasonable quote you have provided us. • You need to pay us the \$350 basic Excess.
Claim Example 4: Your Home and Contents are a Total Loss	
Excess	\$350
Loss or Damage	<p>Your home and contents are insured for their correct replacement value and are destroyed by fire.</p> <p>We agree to arrange temporary accommodation for the 6 months it will take to rebuild your home.</p>
How we settle your claim	<p>We choose to pay you directly for the damage. We pay you \$400,050 as follows:</p> <ul style="list-style-type: none"> • Building Sum Insured \$300,000 • Contents Sum Insured \$90,000 • Less basic Excess \$350 <ul style="list-style-type: none"> – Sub Total \$389,650 • Plus Temporary Accommodation \$10,400 <ul style="list-style-type: none"> – Total \$400,050

Claim Example 5: Liability Claim at your Home	
Excess	\$350
Loss or Damage	A visitor falls over a loose tile in your kitchen and sprains their ankle. We or a court decide that you are liable to pay \$3,000 for the claim made against you by the visitor.
How we settle your claim	<ul style="list-style-type: none"> We pay the visitor \$3,000 We pay our lawyers \$500 to defend the claim on your behalf. You pay us the \$350 Excess.

Personal Accident & Illness Claims Examples

Claim Example 1: Personal Injury	
Excess Period	14 Days
Loss or Damage	During the course of your work, you accidentally tripped and broke your leg. You have seen a doctor and had x-rays taken. You have been informed that your leg will be in a cast and will not be able to return to work for 10 weeks.
How we settle your claim	<ul style="list-style-type: none"> We pay up to 85% of your Average Weekly Earnings (85% of \$1,000 is \$850) You have been out of work for 10 weeks (\$850 x 10 = \$8,500) We deduct the 2 week Excess Period (\$8,500 - \$1,700 = \$6,800) We pay you \$6,800

Claim Example 2: Personal Illness	
Excess Period	14 Days
Loss or Damage	You have not been feeling well and decide to visit a doctor. During your consultation you have been diagnosed with galangal fever. The doctor informs you that you will be unable to work for 14 weeks while you recover.
How we settle your claim	<ul style="list-style-type: none"> We pay up to 85% of your Average Weekly Earnings (85% of \$1,000 is \$850) You have been out of work for 14 weeks (\$850 x 14 = \$11,900) We deduct the 2 week Excess Period (\$11,900 - \$1,700 = \$10,200) We pay you \$10,200

Claim Example 3: Personal Accident & Illness with Capital Benefit	
Excess Period	14 Days
Loss or Damage	At work you had an accident where a chemical has sprayed directly into your eyes. You have consulted a doctor who initially informed you that you will not be able to return to work for 7 weeks. However after further consultation and examination it turns out that you have total loss of all sight in both eyes.
How we settle your claim	<ul style="list-style-type: none"> We pay up to 85% of your Average Weekly Earnings (85% of \$1,000 is \$850) You have been out of work for 7 weeks (\$850 x 7 = \$5,950) We deduct the 2 week Excess Period (\$5,950 - \$1,700 = \$4,250) We pay you \$4,250 <p>We then decide you qualify for the Capital Benefit as you have total loss or sight in both eyes. We pay you the \$100,000 Capital Benefit.</p> <ul style="list-style-type: none"> The total we pay you is \$104,250

Claim Example 4: Personal Accident with Motor Cycling Optional Cover	
Excess Period	14 Days
Loss or Damage	Your favourite weekend hobby is riding your motor cycle. One weekend while out riding you had an accident and fell off your motor bike and broke your leg. You have consulted a doctor and have been told it would be 12 weeks before you can go back to work.
How we settle your claim	<ul style="list-style-type: none"> We pay up to 85% of your Average Weekly Earnings (85% of \$1,000 is \$850) You have been out of work for 12 weeks (\$850 x 12 = \$10,200) We deduct the 2 week Excess Period (\$10,200 - \$1,700 = \$8,500) We pay you \$8,500

Motor Vehicles Claims Examples

Claim Example 1: Repairing your Vehicle	
Excess	\$650
Loss or Damage	You have a crash with another vehicle. Your vehicle is towed from the scene of the accident to a repairer. The towing cost is \$350 We decide to repair your vehicle. The cost of the repairs is \$2,250
How we settle your claim	<ul style="list-style-type: none"> We pay the towing company \$350 You need to pay the repairer the basic Excess of \$650 We pay the repairer \$1,600

General definitions

The intended meaning of some of the important words used throughout this policy are shown in the following table. At the beginning of each Section of this policy you will find further important definitions applicable only in that Section.

Business

Your business, trade, or profession, as specified in the Certificate of Insurance. Also refer to Section 6.1 for the definition applicable only to Section 6.

Certificate of Insurance

The certificate issued by us which forms part of this policy and shows your policy number, the Premium, the insurance cover selected by you, and any special terms, limits, conditions, exclusions, or endorsements.

Computer Virus

Unauthorised intrusive codes, programming, or computer code segment that is self replicating, requires a host program or executable disk segment in which it can be contained, and which destroys or alters the host program, other computer code, or data causing undesired program or computer system operations.

Excess

The amount which you have to pay towards the cost of any claim under this policy.

Flood

The covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- a) a lake (whether or not it has been altered or modified);
- b) a river (whether or not it has been altered or modified);
- c) a creek (whether or not it has been altered or modified);
- d) another natural watercourse (whether or not is has been altered or modified);
- e) a reservoir;
- f) a canal;
- g) a dam.

Indemnify

- a) Where the Property is lost or destroyed:
 - i. in the case of a Building, the rebuilding; or
 - ii. in the case of other Property, its replacement by similar property;

to a condition equal to but not better or more extensive than its condition at the time of loss or destruction; and
 - b) where the Property is damaged, the repair and/or restoration of the Property to a condition substantially the same as but not better or more extensive than its condition at the time of damage.
- Also refer to Section 9.1 for the definition applicable only to Section 9.

Money

Current coins, bank notes, currency notes, cheques, postal orders, money orders, unused postage or revenue stamps including the value of stamps contained in franking machines, credit cards, sales vouchers, instant lottery tickets, transport tickets, telephone cards and any other negotiable instruments belonging to you or for which you are legally responsible.

Claim Example 2: Your Vehicle is a Total Loss	
Excess	\$650
Loss or Damage	<p>Your 22 year old son is driving your vehicle and has a crash with another vehicle. He was named as a driver on your policy.</p> <p>Your vehicle is towed from the scene of the accident to a repairer. The towing cost is \$300. We decide that your vehicle is a total loss. Also, when we assessed the incident, we find that your son was at fault.</p> <p>You pay your monthly instalments from your bank account.</p>
How we settle your claim	<ul style="list-style-type: none"> • We pay the towing company \$300 <p>We pay you \$12,830 as follows:</p> <ul style="list-style-type: none"> • Agreed Value \$14,200 • Less Basic Excess \$650 • Less age Excess \$500 • Less remaining unpaid monthly instalments \$220 <p>The cover for the Motor Vehicle ends and we keep the vehicle.</p>
Claim Example 3: Stolen Vehicle with a New Replacement Vehicle	
Excess	\$650
Loss or Damage	<p>Your Vehicle is stolen and not recovered. It was only 7 months old.</p> <p>You choose to replace your vehicle with a new one under "New Vehicle Additional Benefit"</p> <p>We arrange a hire car for you.</p>
How we settle your claim	<p>We arrange for:</p> <ul style="list-style-type: none"> • Your replacement vehicle • New registration and CTP insurance for that Vehicle • You to hire a car until we settle your claim for up to 21 days. <p>You need to:</p> <ul style="list-style-type: none"> • Pay us your basic excess of \$650
Claim Example 4: Liability claim for damage to someone else's property	
Excess	\$650
Loss or Damage	<p>You lose control of your vehicle and crash into someone's front fence and garden. A court decides that you are liable to pay \$8,000 for the claim made against you by the home owner.</p>
How we settle your claim	<ul style="list-style-type: none"> • You need to pay us the basic excess of \$650 • We pay the owner of the home \$8,000 • We pay our lawyers \$1,500 for acting on your behalf

Period of Insurance

The period specified in the Certificate of Insurance.

Premises

The Business premises specified in the Certificate of Insurance. Also refer to Sections 3.1 and 15.1 for definitions applicable only to those Sections.

Premium

The amount payable by you for the insurance provided by us under this policy.

Property

The property specified in the Certificate of Insurance as being insured by this policy. Also refer to Sections 11.1, 12.1, and 13.1 for definitions applicable only to those Sections.

Proposal

The form completed by you giving answers, particulars, and statements in respect of the insurance required by you.

Rainwater

Water falling from the atmosphere in the form of rain including rainwater run off over the surface of the land or which has escaped from public roadside gutters, but not inundation of normally dry land areas by the overflow of water from:

- a) the normal confines of any natural watercourse or lake whether or not altered or modified; or
- b) any reservoir, canal, dam, water tank, apparatus, or pipe.

Reinstatement or Reinstate

- a) Where the Property is lost or destroyed:
 - i. in the case of a Building, the rebuilding; or
 - ii. in the case of other Property, the replacement by similar property;
to a condition equal to but not better or more extensive than its condition when new;
- b) where the Property is damaged, the repair and/or restoration of the Property to a condition substantially the same as but not better or more extensive than its condition when new; and
- c) the extra cost, including demolition, incurred subsequent to the loss, destruction, or damage, needed to comply with the requirements, at the time of Reinstatement, of:
 - i. any statute or regulation made thereunder; or
 - ii. any by-law or regulation of any municipal or other statutory authority;
to the extent that the Sum Insured is not otherwise exhausted.

Sum Insured or Limit of Liability

The amount specified in the Certificate of Insurance.

we, us, or our

Insurance Australia Limited ABN 11 000 016 722
AFS Licence No. 227681.

you or your

Each person, company, or other entity specified in the Certificate of Insurance as being insured under this policy. Also refer to Section 6.1 for the definition applicable only to Section 6.

Section 1

Fire and other defined events

1.1 Definitions

The intended meaning of some of the important words as used only in Section 1 are shown below.

Building

Any building at the Premises, including:

- a) awnings, signs, lettering, meters and switchboards, lifts, hoists and all their attachments, electrical installations, fire alarm systems, fire sprinkler installations, towers, tanks, power lines, poles, walls, gates and fences, plant and apparatus, forming part of the building owned by you or for which you are legally responsible; and
- b) all landlord's fixtures and fittings for which you are legally responsible.

Contents

Plant and machinery including their foundations, settings and beddings, and all other contents of every description not more specifically insured by this policy, owned by you or for which you are legally responsible while in the Building or open air at the Premises, but not:

- a) Stock in Trade or Money; or
- b) motor vehicles or their accessories, unless specified in the Certificate of Insurance.

Stock in Trade

Stock or merchandise, manufactured, unmanufactured, or in the course of manufacture, including:

- a) materials used in their packing; and
- b) raw materials;

owned by you, or for which you are legally responsible, while held in the Building or in the open air at the Premises.

Also refer to the General Definitions which are applicable to Section 1.

1.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 1, we insure you against the Property at the Premises being lost, destroyed, or damaged by one or more of the Defined Events listed below occurring during the Period of Insurance except as stated under We Will Not Pay.

Defined Event	We Will Not Pay Refer also to the Specific Exclusions in Section 1.5 and the General Exclusions in Section 16
1. Fire	We will not pay for loss, destruction, or damage: a) to the Property, where the Property is undergoing any process involving the application of heat; or b) caused by the Property's own spontaneous combustion, except for the spontaneous combustion of hay.
2. Lightning or Thunderbolt	
3. Explosion	We will not pay for loss, destruction, or damage to boilers and their contents, except for domestic boilers, domestic economisers, or domestic vessels under pressure that do not require a certificate to be issued under the terms of any statute or regulation.
4. Earthquake, Subterranean Fire, or Volcanic Eruption	We will not pay the first 1% of the total Sum Insured or \$20,000 whichever is the lesser, subject to a minimum of \$250, for loss, destruction, or damage to the Property during any period of 72 consecutive hours.
5. Riots, Strikes and Civil Commotion	
6. Escape of Liquids as a result of bursting, leaking, discharging, or overflowing of pipes, tanks, fixed room heating, or water apparatus	We will not pay: a) for loss, destruction, or damage to the pipes, tanks, fixed room heating, or water apparatus themselves; or b) more than \$5,000 for the cost of: i. locating the cause of the loss, destruction, or damage; and ii. rectification of paths or driveways immediately surrounding and adjoining the Buildings, if damaged while locating the cause.
7. Impact by vehicles or animals	We will not pay for loss, destruction, or damage to fencing or animals, caused by animals.
8. Impact by trees, watercraft, or aircraft and other aerial devices, including space debris, whether artificially created or not, and articles dropped from them	We will not pay for loss, destruction, or damage caused by the impact of trees or parts thereof as a result of felling or lopping trees.

9. Vandalism, Malicious Damage or Damage by Burglars	We will not pay for: a) loss, destruction, or damage caused by tenants; b) theft of property; or c) breakage of glass.
10. Storm or Rainwater	We will not pay for loss, destruction, or damage: a) to gates, fences, retaining and free-standing walls whether or not forming part of the Building, textile awnings, shade cloth, blinds, signs, glasshouses, hothouses, greenhouses, igloos, flimsies, and the like; b) to the Property in the open air unless that Property comprises, or is part of, a permanent structure designed to function without the protection of walls or a roof; or c) caused by water seeping or percolating through a wall, roof, or floor.

1.3 Settlement

If you have a valid claim under Section 1, we will, at our option, pay for, reinstate, or repair the Property on the basis set out below.

Settlement basis

1. Stock in Trade

For Stock in Trade we will Indemnify you.

2. All other Property

a) For all other Property, we will Reinsure the Property but only if:

- i. replacement, rebuilding, or repair is carried out within a reasonable time. This may be at another site providing our liability is not thereby increased;
- ii. any repair costs do not exceed the Reinstatement costs had the Property been totally lost, destroyed, or damaged;
- iii. a sum equal to the cost of Reinstatement has actually been incurred; and
- iv. all other insurances in respect of the Property have the same Reinstatement wording;

otherwise we will Indemnify you.

b) We are not bound to Reinsure exactly or completely but only as circumstances permit and in a reasonably sufficient manner.

c) Where any state, local, or other statutory authority, permits the Reinstatement of a Building but only subject to:

- i. a reduced plot ratio; or
- ii. the payment of certain fees, contributions, or impost;

we will pay, in addition to any amount payable for Reinstatement:

- iii. the difference between the actual cost of Reinstatement incurred in accordance with the reduced plot ratio and the cost of Reinstatement which would have been incurred had a reduced plot ratio not been applicable and any payment of the difference will be made as soon as the difference is ascertained and certified by the architect acting on your behalf in the Reinstatement of the Building; and
- iv. the fee, contribution, or other impost payable to any state, local, or other statutory authority, where such fee, contribution, or impost is a condition precedent to the obtaining of consent to Reinstatement of the Building.

d) The Underinsurance provision in Section 1.3(7):

- i. applies separately to each individual item of Property; and
- ii. does not apply to the extra cost described in paragraph (c) of the General Definition of "Reinstatement".

3. Patterns or Designs

We will not pay more than 5% of the Sum Insured on Contents for loss, destruction, or damage to patterns, models, moulds, plans, or designs.

4. Work of Art

We will not pay more than \$1,000 in value for any one item for loss, destruction, or damage to a curiosity or work of art.

5. Our Limit of Liability

Our liability is limited to the Sum Insured, less the stated Excess.

6. Automatic Reinstatement of the Sum Insured

If we agree to pay you for loss under Section 1, we will reinstate your Fire and Other Defined Events Sum Insured provided that you pay any additional premium required by us.

7. Underinsurance

If the sum Insured for Property is less than 80% of its value, determined in accordance with the Settlement Basis in:

- a) Section 1.3(1) for Stock in Trade; or
- b) Section 1.3(2) for All other Property;

at the time the insurance under Section 1 was taken out, renewed, extended, or varied we will only pay that portion of the claim which the Sum Insured bears to 80% of that value, in accordance with the formula:

$$\frac{\text{Sum Insured}}{80\% \text{ of the value of the Property}} \times \text{the amount of the loss, destruction, or damage}$$

Example:

Where the Property is valued at \$200,000 but only insured for \$100,000 and a loss of \$50,000 occurs, we will pay:

$$\frac{\$100,000}{(80\% \text{ of } \$200,000)} \times \$50,000 = \$31,250$$

We will not pay \$18,750.

- c) This section 1.3(7)(a) and (b) does not apply if the loss is less than 10% of the Sum Insured.

1.4 Additional benefits

1. If you have a valid claim under Section 1, we will also insure you for the following Additional Benefits necessarily and reasonably incurred, but you must obtain our consent prior to any of the costs being incurred.

a) Professional Fees

We will pay up to:

- i. \$5,000; or
- ii. the amount specified in the Certificate of Insurance; whichever is greater, for professional fees necessarily incurred in repairing or reinstating the Property but not for claims preparation.

b) Removal of Debris

We will pay up to:

- i. \$25,000; or
- ii. the amount specified in the Certificate of Insurance; whichever is greater, for the cost of removal, storage, disposal, demolition, or dismantling of debris.

c) Temporary Repair

We will pay up to:

- i. \$5,000; or
- ii. the amount specified in the Certificate of Insurance; whichever is greater, for the cost of shoring up, underpinning or propping, or other temporary repair of the Property, for the purpose of maintaining or restoring safety, integrity or accessibility.

2. If you are insured under Section 1, we will extend your insurance to include the following Additional Benefits.

a) Seasonal Increase in Sum Insured for Stock in Trade

We will increase the Sum Insured for Stock in Trade by:

- i. 50% for the 3 days prior to Gazetted Monday Public Holidays and until the conclusion of the following trading day; and
- ii. 50% for the 90 days specified in the Certificate of Insurance, or where no days are specified, by:
 - (A) 50% from the 1st of November to the conclusion of trading on the 16th of January in the following year; and
 - (B) 50% for the 30 days immediately prior to Good Friday and 10 days following Good Friday.

b) Stock in Trade while in Transit

If Stock in Trade is specified as insured in your Certificate of Insurance, we will pay up to \$2,000 for any one load of Stock in Trade, lost, destroyed, or damaged:

- i. while in transit, anywhere in the Commonwealth of Australia between a wholesaler's premises and the Premises, in a vehicle or trailer owned or driven by you, your employee, or a member of your immediate family working in the Business; and
- ii. caused by the Defined Event Fire in Section 1.2(1), Flood, or collision or overturning of the vehicle or trailer.

c) Contents while Temporarily Removed

If Contents is specified as insured in the Certificate of Insurance, we will pay up to 20% of the Sum Insured for Contents lost, destroyed, or damaged:

- i. while temporarily removed from the Premises to any other premises anywhere within the Commonwealth of Australia, including while in transit; and
- ii. caused by a Defined Event in Section 1.2, or collision or overturning of the vehicle or trailer.

The Sum Insured for the Contents remaining at the Premises will be reduced accordingly for each item specified in the Certificate of Insurance.

d) Alterations and Additions

If you make alterations or additions to the Property during the Period of Insurance, we will increase the Sum Insured, for all Property other than Stock in Trade by up to:

- i. 20% of the total Sum Insured; or
- ii. \$500,000;

whichever is the lesser.

e) Fire Extinguishing Costs

We will pay up to:

- i. \$25,000; or
- ii. the amount specified in the Certificate of Insurance;

whichever is greater, for the cost of:

- iii. the wages of your employees other than full-time members of a works fire brigade;
- iv. replenishment of fire fighting appliances; and
- v. the destruction of or damage to employees' clothing not more specifically insured under this policy or any other policy of insurance;

resulting from fire at or in the immediate vicinity of the Premises.

f) Cost of Rewriting Record Books

We will pay up to:

- i. \$25,000; or
- ii. the amount specified in the Certificate of Insurance;

whichever is greater, for the cost of rewriting your records and books of account lost, destroyed, or damaged as a result of a Defined Event in Section 1.2.

g) Directors' and Employees' Personal Property

We will pay up to:

- i. \$1,000 in respect of any one director or employee; and
- ii. a total of \$5,000;

in total, during the Period of Insurance for the cost of directors' and employees' tools of trade and personal property, excluding Money and not otherwise insured:

- iii. on the Premises; and
- iv. lost, destroyed, or damaged as a result of a Defined Event in Section 1.2.

1.5 Specific exclusions

We do not insure you under Section 1 for the following circumstances.

Excluded circumstances

1. Sea

We will not pay for loss, destruction, or damage caused directly or indirectly by the action of the sea, tidal wave, or tsunami.

2. Earth Movement

We will not pay for loss, destruction, or damage caused directly or indirectly by erosion, subsidence, landslide, or other earth movement.

3. Flood

We will not pay for loss, destruction, or damage caused directly or indirectly by Flood.

4. Hazardous Goods

We will not pay for loss, destruction, or damage caused directly or indirectly from circumstances where you are in breach of any law, bylaw, municipal or other public body regulation dealing with the storage of hazardous goods on the Premises.

5. Cessation of Work

We will not pay for loss, destruction, or damage caused directly or indirectly by cessation of work.

6. Documents or Business Books

We will not pay for loss, destruction, or damage to documents, manuscripts, or business books except for the cost of rewriting your records and books of account as provided for in Section 1.4(2)(f).

7. Jewellery or Furs

We will not pay for loss, destruction, or damage to jewellery, precious stones, precious metals, bullion, furs or stamps.

8. Explosives

We will not pay for loss, destruction, or damage to explosives.

Also refer to the General Exclusions in Section 16 which are applicable to Section 1.

1.6 Optional covers

If selected by you and specified in the Certificate of Insurance, the Optional Cover as indicated below will apply.

Details of cover

1. Loss of Rent

We will pay for the:

- a) loss of rent receivable; or
- b) additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of rent receivable but not more than the amount saved under (a);

while the Premises are untenable as a result of the Property being lost, destroyed, or damaged by a Defined Event in Section 1.2 at the Premises during the Period of Insurance.

2. Book Debts

We will:

- a) pay you for your customers' outstanding debts, being money owed for goods purchased from you or services rendered by you on credit, which you would normally have collected and you are unable to recover directly due to the loss, destruction, or damage to your books of account by a Defined Event insured in:
 - i. Section 1 for Fire and Other Defined Events; or
 - ii. Section 3 for Burglary;occurring at the Premises and during the Period of Insurance;
- b) pay for the cost of reasonable accountants' fees; and
- c) make allowance for demonstrable trends of the Business at the time of the loss, destruction, or damage to your books of account.

3. Accidental Damage

- a) We insure you against the Property at the Premises being unintentionally and unexpectedly lost, destroyed, or damaged during the Period of Insurance by the additional Defined Event - Accidental Damage.
- b) We will:
 - i. Indemnify you for Stock in Trade or motor vehicles; or
 - ii. Reinstate all other Property, on the basis as set out in Section 1.3(2).
- c) We will not pay for loss, destruction, or damage caused by or resulting from:
 - i. any Defined Event in Section 1.2;
 - ii. civil commotion, or locked-out workers;
 - iii. the Property's own fermentation or heating;
 - iv. burglary, theft, armed hold up, kidnapping, bomb threat, sabotage, extortion, or any threat or attempt thereof;
 - v. any fraudulent or dishonest acts by your employees;
 - vi. clerical or accounting errors, or unexplained inventory shortage or disappearance;
 - vii. shortages in the supply or delivery of materials to, or by, you;
 - viii. the action of birds, moths, termites or other insects, vermin, rust or oxidation, mildew, mould, wet or dry rot, corrosion, dampness or dryness of atmosphere, or other variation in temperature, action of light, shrinkage, evaporation, contamination, disease, inherent vice or latent defect, adjusting or servicing operations, loss of weight, change in flavour, colour, texture, or finish;
 - ix. smoke, smut, sludge, or chemicals from industrial or agricultural operations but we will pay for sudden and unforeseen damage resulting therefrom;
 - x. dust, sand, mud, or smog, but we will pay for sudden and unforeseen damage resulting therefrom;

- xi. wear, tear, fading, breakage of fragile articles, scratching or marring, gradual deterioration or developing flaws, cost of normal upkeep or making good;
 - xii. failure of, error or omission in design, plan, specification, or testing;
 - xiii. incorrect siting of buildings, as a result of incorrect design or specification;
 - xiv. faulty materials or faulty workmanship;
 - xv. normal settling, seepage, creeping, heaving, vibration, shrinkage or expansion in buildings, foundations, walls, roofs, ceilings, floors, pavements, roads, and other structural improvements;
 - xvi. electrical or magnetic injury, disturbance, or erasure of electronic recordings;
 - xvii. Computer Virus;
 - xviii. data processing or media failure or breakdown, or malfunction of the processing system;
 - xix. mechanical, electrical, electronic breakdown or failure or derangement, or boiler or pressure vessel explosion or implosion, but this exclusion is limited to the machine, equipment, boiler or pressure vessel immediately or directly affected;
 - xx. failure of the supply of water, gas, electricity, or fuel;
 - xxi. any order of any government or public or local authority including the confiscation, nationalisation, requisition, or damage of any property; or
 - xxii. any other event more specifically excluded in this Section 1 or in the General Exclusions in Section 16.
- d) We will not pay for loss, destruction, or damage to:
 - i. Money;
 - ii. any property in transit;
 - iii. aircraft or watercraft of every kind and description, or property contained therein;
 - iv. registered motor vehicles or trailers, or property contained therein;
 - v. railways, locomotive or rolling stock, or property contained therein;
 - vi. growing crops or standing timber, shrubs, or pastures;
 - vii. animals, birds, fish, or any other living thing;
 - viii. the Property arising out of renovation, repair, installation, testing, alteration, or the Property undergoing construction or erection;
 - ix. land, dams, reservoirs, canals, tunnels, bridges, docks, piers or wharves not forming part of a building;
 - x. property during the course of and as the result of its processing; or
 - xi. glass.

Section 2

Business interruption

2.1 Definitions

The intended meaning of some of the important words as used only in Section 2 are shown below.

Annual Turnover

The sum derived by adjusting the Turnover obtained in the Business during the 12 months immediately before the date of the Damage to provide for trends, variations, or other circumstances:

- a) affecting the Business either before or after the Damage; or
- b) which would have affected the Business had the Damage not occurred.

Boiler or Economiser

Boiler, pressure vessel, or economiser for which a certificate is required to be issued under the terms of any statute or regulation.

Charges

Fixed costs of the Business which do not vary in direct proportion to an increase or reduction in Turnover.

Closing Stock

The closing stock figures arrived at from your normal account records less an allowance for obsolescence.

Collapse

The sudden and dangerous distortion of a Boiler or Pressure Vessel caused by bending or crushing of the permanent structure by vacuum or reduced pressure, or by force of steam, gas, or fluid pressure (other than pressure of ignited flue gases), including damage caused by overheating resulting from deficiency of water.

Damage

Loss, destruction, or damage to your Property, or Property used by you, caused by a Defined Event insured by you under this policy, for:

- a) Fire and Other Defined Events in Section 1;
- b) Burglary in Section 3;
- c) Money in Section 4;
- d) Glass in Section 5;
- e) General Property in Section 12; and/or
- f) Multiple Risks in Section 13;

and for which we have admitted liability or would have paid for, or admitted liability, but for the operation of an Excess.

Documents

Deeds, wills, agreements, manuscripts, maps, plans, drawings, designs, records, computer data, books of account, books, letters, certificates, documents or forms of any nature, but not bearer bonds or coupons, bank or currency notes, other negotiable instruments and book debts.

Explosion

The sudden and violent rending of the Boiler or Economiser by force of internal steam, gas, or fluid pressure (including the pressure of ignited flue gases) causing bodily displacement of its structure together with forcible ejection of its contents.

Gross Profit

The difference between:

- a) the sum of Turnover and Closing Stock; and
- b) the sum of Opening Stock and the Uninsured Working Expenses.

Indemnity Period

The period beginning with the occurrence of the Damage and ending not later than the number of months stated in the Certificate of Insurance, during which period the Business is affected in consequence of the Damage.

Opening Stock

The opening stock figures arrived at from your normal account records less an allowance for obsolescence.

Output

The sales value of goods manufactured, both at and away from the Premises, by you, or on your behalf, in the course of Business.

Rate of Gross Profit

The percentage representing the rate of Gross Profit earned on the Turnover during the financial year before the date of the Damage, to which adjustments shall be made to provide for trends, variations, or other circumstances:

- a) affecting the Business either before or after the Damage; or
- b) which would have affected the Business had the Damage not occurred.

Shortage in Turnover

The amount by which the Turnover falls short of the Standard Turnover during the Indemnity Period as a result of the Damage.

Standard Turnover

The sum representing the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period, to which adjustments are made to provide for trends, variations, or other circumstances:

- a) affecting the Business either before or after the Damage; or
- b) which would have affected the Business had the Damage not occurred.

Turnover

Money paid or payable to you for goods sold and delivered and services rendered in course of the Business at the Premises.

Uninsured Working Expenses

The items specified as "Uninsured Working Expenses" in the Certificate of Insurance.

Also refer to the [General Definitions which are applicable to Section 2.](#)

2.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 2, we insure you against loss resulting from interruption to or interference with the Business due to Damage at the Premises, occurring during the Period of Insurance, but we will not pay for any loss as set out in the Specific Exclusions in Section 2.5 or the General Exclusions in Section 16.

2.3 Settlement

If you have a valid claim under Section 2, we will pay you for your loss of profit on the basis set out below.

Settlement basis

1. Loss of Profit

a) We will pay:

- i. the product of the Rate of Gross Profit and the Shortage in Turnover; and
- ii. the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the Shortage in Turnover which, but for that expenditure, would have occurred during the Indemnity Period in consequence of the Damage, but only if the additional expenditure does not exceed the product of the Rate of Gross Profit and the amount avoided or diminished.

- b) We will deduct, from any amount payable under (a) above, any savings during the Indemnity Period in respect of Charges and expenses payable out of Gross Profit as may cease, or be reduced, in consequence of the Damage.

2. Turnover Elsewhere after Damage

If Turnover is being derived from goods sold or services rendered elsewhere than at the Premises, then this Turnover must be included in calculating the Turnover during the Indemnity Period.

3. Accumulated Stocks

If Turnover is being temporarily maintained from accumulated stock of finished goods, then an allowance will be made in the amount recoverable for Loss of Profit under Section 2.3(1) to reflect the depletion of accumulated stock.

4. Departmental Clause

If the Business is conducted in departments which have individual trading results, then in calculating the amount recoverable, you may at your option separately apply the formula for Loss of Profit in Section 2.3(1) to each department affected by the Damage, however, if the Limit of Liability for Loss of Profit in Section 2.3(1) is less than the sum of the product of the Rate of Gross Profit and Annual Turnover for each department, including those not affected by the Damage, then the amount payable will be adjusted as set out for Underinsurance in Section 2.3(8).

5. Salvage Sale

If you hold a salvage sale during the Indemnity Period, the Turnover resulting from the salvage sale will not be taken into account when calculating the Shortage in Turnover.

6. New Business

If Damage occurs at the Premises before the completion of the first year's trading of the Business, the Definitions in Section 2.1 for:

- a) Annual Turnover;
- b) Rate of Gross Profit; and
- c) Standard Turnover;

will be adjusted to reflect the proportional equivalent of the respective periods.

7. Our Limit of Liability

Our liability is limited to the Sum Insured, less the stated Excess.

8. Underinsurance

- a) If your Gross Profit is insured for less than 80% of its value at the time the insurance under Section 2 was taken out, renewed, extended or varied we will only pay that portion of the claim which the Sum Insured bears to 80% of the value, in accordance with the formula:

$$\frac{\text{Loss of Gross Profit}}{80\% \text{ of the product of the Rate of Gross Profit and the Annual Turnover}} \times \text{Sum Insured}$$

Example:

Where the Gross Profit is valued at \$200,000 but only insured for \$100,000 and a loss of \$50,000 occurs, we will pay:

$$\frac{\$50,000}{(80\% \text{ of } \$200,000)} \times \$100,000 = \$31,250$$

We will not pay \$18,750.

- b) This section 2.3(8) does not apply if the loss is less than 10% of the Sum Insured at the Premises.

9. Automatic Reinstatement of the Sum Insured

If we agree to pay you for loss under Section 2, we will reinstate your Business Interruption Sum Insured provided that you pay any additional premium required by us.

2.4 Additional benefits

1. If you have a valid claim under Section 2, we will also insure you for the following Additional Benefit necessarily and reasonably incurred, but you must obtain our consent prior to any of the costs being incurred.

Limits to Additional Benefit, in addition to the Sum Insured.

a) Accountants' Fees

We will pay up to:

- i. \$5,000; or
- ii. the amount specified in the Certificate of Insurance; whichever is greater, for the reasonable costs of your auditors or accountants for producing and certifying any particular, detail, information, proof, or evidence required for the preparation of a:
- iii. claim Business Interruption in Section 2; or
- iv. combined claim under Fire and Other Defined Events in Section 1 and Business Interruption in Section 2.

b) Fines and Damages

We will pay up to 5% of the Sum Insured for your liability, incurred during the Indemnity Period, to pay cancellation charges, or fines or damages, directly attributable to the event claimed, other than aggravated, punitive or exemplary damages:

- i. for breach of contract resulting from non-completion or late completion of orders for your goods or services, or in discharge of contract purchases of your goods or services.
- ii. for breach of contract for the purchase by you of goods and services that cannot be utilised by you during the Indemnity Period, less any value to you of such goods or services or the amount received from sale.

2. If you are insured under Section 2, we will extend your insurance to include the following Additional Benefits.

a) Government Incentives

In calculating the amount of Loss of Profit in Section 2.3(1), we will include the loss of any Government approved incentives, subsidies, or market development allowances to which you may have been entitled.

b) Explosion or Collapse of Boilers or Economisers

- i. If loss results from the interruption to or interference with the Business due to loss, destruction or damage to any Building or Property used by you at the Premises directly caused by Explosion or Collapse of:

(A) steam pipes;

(B) vessels under steam, gas, air, or other fluid pressure; or

(C) Boilers or Economisers;

then, for the purposes of Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage at the Premises.

- ii. We will not cover loss resulting from the interruption to or interference with Business due to loss, destruction or damage caused by, or resulting from:

(A) wearing away or wasting of the material of any plant whether caused by leakage, corrosion, action of fuel, or otherwise;

(B) slowly developing deformation or distortion of any part of any plant;

(C) cracks, fractures, blisters, laminations, flaws, or grooving even when accompanied by leakage, or damage to tubes, headers, or other parts of the plant caused by overheating or leakage at seams, tubes, or other parts of any plant; or

(D) failure of joints.

c) Prevention of Access, Public Utilities, Computer Installations, Commercial Complexes

If loss results from the interruption to or interference with the Business due to damage to property not owned by you that, if it were owned by you, could have been insured for Fire and Defined Events under Section 1 of this policy, such property being located:

- i. within 20 kilometres of the Premises, and where such damage prevents or hinders access to, or use of, the Property;

- ii. anywhere within Australia, and where such property belongs to or is under the control of suppliers of electric power, gas, communications, water or sewage reticulation control systems from which you obtain services, but not the first 2 usual trading days of any such loss;

- iii. at computer installations utilised by you anywhere in Australia, including damage to property comprising ancillary equipment and data processing media; or

- iv. in any commercial complex of which the Business forms a part or in which the Business is contained, and where such damage results in cessation or diminution of trade, including any cessation or diminution of trade due to temporary falling way of custom;

then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage at the Premises.

d) Murder, Suicide, Poisoning, Disease, or Defective Sanitary Arrangement

If loss results from interruption or interference to the Business due to:

- i. murder or suicide occurring at the Premises;

- ii. injury, illness or disease caused by the consumption of food or drink provided and consumed at the Premises;

- iii. the outbreak of a human infectious or contagious disease occurring within a 20 kilometre radius of the Premises;

- iv. closure or evacuation of the Premises by order of a government, public or statutory authority consequent upon:

(A) the discovery of an organism likely to result in a human infectious or contagious disease at the Premises;

(B) vermin or pests at the Premises;

(C) defects in the drains or other sanitary arrangements at the Premises;

then that loss will be deemed to be in consequence of the Damage.

We will not cover interruption or interference to the Business under Additional Benefits (d)(iii) and (d)(iv) (A) in respect of Highly Pathogenic Avian Influenza in Humans or any other diseases declared to be quarantinable diseases under the Quarantine Act 1908 and subsequent amendments.

e) Turnover/Output

If selected by you, Output may be used instead of Turnover in order to calculate loss, but only one meaning may be operative in connection with any one occurrence of Damage.

f) Owner's Premises

If loss results from the interruption to or interference with the Business due to damage to any building at the Premises, for which:

- i. you are a tenant under a current tenancy agreement;
- ii. the damage to the building could have been insured for Fire and Other Defined Events under Section 1 of this policy if owned by you;

- iii. the owner of the building has in force a policy of insurance in respect of such damage to the building; and
- iv. the insurer of the policy described in paragraph (iii) has admitted liability or would have paid for, or admitted liability, but for the operation of an excess, for such damage to the building;

then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage at the Premises.

g) Motor Vehicles Owned or Operated by You

If loss results from the interruption to or interference with the Business due to damage to any registered vehicle or trailer owned or operated by you, but not while such vehicle or trailer is on a public thoroughfare, then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage at the Premises.

h) Documents

If loss results from the interruption to or interference with the Business due to damage to Documents that belong to you or are held in trust by you, while they are in transit or in a building that is not occupied by you, then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage at the Premises.

i) Transit

If loss results from the interruption to or interference with the Business due to damage to your stock in trade, tools of trade, plant and equipment which you own or for which you are legally responsible, and the damage was sustained while it is in transit by road, rail, sea or air within Australia and outside of the Premises occupied by you, then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage at the Premises.

We will pay up to 10% of the Sum Insured, but only if, and to the extent that, the Sum Insured is not otherwise exhausted.

j) Storage Sites

If loss results from the interruption to or interference with the Business due to damage to your property sustained while it is stored or being processed in a building not occupied by you, within Australia, then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage at the Premises.

We will pay up to 20% of the Sum Insured, but only if, and to the extent that, the Sum Insured is not otherwise exhausted.

k) Unspecified Suppliers' and/or Customers' Premises

If loss results from the interruption to or interference with the Business due to damage to property within Australia:

- i. at suppliers' and/or customers' premises (not being domestic premises); or

- ii. preventing movement of goods to, or from, a suppliers' or customers' premises (not being domestic premises);

and if a claim in relation to such damage would have been payable under Section 1 of this policy if such property had been insured under this policy, then, for the purpose of this Section 2, that loss will be treated as loss resulting from interruption to or interference with the Business due to Damage at the Premises.

We will pay up to 20% of the Sum Insured.

2.5 Specific exclusions

We do not insure you under Section 2 for any of the following circumstances.

Excluded circumstances

1. Business Ceases

We will not pay for loss of any kind if the Business is wound up, carried on by a liquidator or receiver, or your interest ceases other than by death.

2. Delay or Loss of Contract

We will not pay for loss of any kind due to delay, lack of performance, loss of contracts, or depreciation in the value of land or stock except as otherwise provided for under Section 2.

3. Underinsurance

We will not pay for loss of any kind due to underinsurance under any Section of this policy, or any other policy of insurance.

4. Public Utilities

We will not pay for loss of any kind due to the failure of a public utility to supply services, except as provided in Section 2.4(2)(c)(ii).

Also refer to the General Exclusions in Section 16 which are applicable to Section 2.

2.6 Optional covers

If selected by you and specified in the Certificate of Insurance, the Optional Cover as indicated below will apply.

Details of cover

1. Additional Increased Cost of Working

We will pay the additional expenditure incurred during the Indemnity Period in consequence of the Damage, in excess of the amount payable under Section 2.3(1)(a)(ii), for the purpose of:

- a) resuming or maintaining normal Business operations or administrative facilities; and
- b) minimising any interruption of or interference with the Business;

whether there is a Shortage in Turnover or not.

2. Suppliers' or Customers' Premises

- a) If the Business is interrupted or interfered with in consequence of damage to the premises of a supplier or customer, which:
 - i. if owned by you, could have been insured for Fire and Other Defined Events under Section 1 of this policy;
 - ii. is within the Commonwealth of Australia; and
 - iii. is specified in the Certificate of Insurance;then that loss will be deemed to be in consequence of the Damage.
- b) We will pay up to the percentage specified in the Certificate of Insurance, of the Sum Insured for Section 2.3(1), for each supplier or customer.

Section 3 Burglary

3.1 Definitions

The intended meaning of some of the important words as used only in Section 3 are shown below.

Building

Any building at the Premises, including:

- a) awnings, signs, lettering, meters and switchboards, lifts, hoists and all their attachments, electrical installations, fire alarm systems, fire sprinkler installations, towers, tanks, power lines, poles, walls, gates and fences, plant and apparatus, forming part of the building owned by you or for which you are legally responsible; and
- b) all landlord's fixtures and fittings for which you are legally responsible.

Burglary

- a) Stealing consequent upon actual forcible and violent entry into the Premises;
- b) Stealing or any attempted stealing, that occurs outside business hours, by any person having been feloniously concealed on the Premises, provided that there is evidence of such a person having been present outside business hours or having exited outside business hours;
- c) Stealing consequent upon threat of immediate violence or violent intimidation.

Contents

All contents at the Premises, including the value of work done, containers, and packing materials, owned by you or for which you are legally responsible.

Premises

The premises specified in the Certificate of Insurance but not including any garden, yard, open verandah, open building, or other open areas.

Stock in Trade

Stock or merchandise, manufactured, unmanufactured, or in the course of manufacture, including:

- a) materials used in their packing; and
- b) raw materials;

owned by you, or for which you are legally responsible, while held in the Building or in the open air at the Premises.

Theft

Stealing other than Burglary.

Also refer to the General Definitions which are applicable to Section 3.

3.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 3, we insure you against the Property at the Premises being lost, destroyed, or damaged during the Period of Insurance as a result of Burglary, but we will not pay for any loss, destruction, or damage as set out in the Specific Exclusions in Section 3.5 or the General Exclusions in Section 16.

3.3 Settlement basis

If you have a valid claim under Section 3, we will, at our option, pay for, reinstate, or repair the Property on the basis set out below:

1. Building and/or Contents

a) Where the item of Building and/or Contents is:

- i. lost or destroyed, its replacement by a similar item, to a condition equal to but not better or more extensive than its condition when new; and
- ii. damaged, the repair or restoration of the item to a condition substantially the same as but not better or more extensive than its condition when new;

but only if:

- iii. the replacing or repair is carried out within a reasonable time;
- iv. the repair cost does not exceed Reinstatement cost had the Property been totally lost or destroyed;
- v. a sum equal to the cost of Reinstatement has actually been incurred; and
- vi. all other insurances in respect of the Property have the same Reinstatement wording;

otherwise we will Indemnify you.

b) We are not bound to replace, restore or repair exactly or completely but only as circumstances permit and in a reasonably sufficient manner.

2. Our Limit of Liability

Our liability is limited to the Sum Insured, less the stated Excess.

3. Automatic Reinstatement of the Sum Insured

If we agree to pay you for loss under Section 3, we will reinstate your Burglary Sum Insured provided that you pay any additional premium required by us.

3.4 Additional benefits

1. If you have a valid claim under Section 3, we will also insure you for the following Additional Benefits necessarily and reasonably incurred but you must obtain our consent prior to any of the costs being incurred.

Limits to Additional Benefits, in addition to the Sum Insured

a) Temporary Protection

We will pay up to:

- i. \$5,000; or
- ii. the amount specified in the Certificate of Insurance;

whichever is greater, in total, during the Period of Insurance, for the cost of temporary protection for the safety of the Property pending repair of the damage.

b) Lock and Keys

We will pay the reasonable and necessary cost, up to \$5,000 in total during the Period of Insurance, if keys to the Building or Contents are stolen, or if there are reasonable grounds to believe that such keys have been stolen and duplicated, for:

- i. the keys and locks to be recoded or replaced;
- ii. restoring security to the same level of security as existed immediately prior to the loss; and
- iii. the cost of temporary protection of the Property, pending restoration of the security.

2. If you are insured under Section 3, we will extend your insurance to include the following Additional Benefits.

Limits to Additional Benefits, in addition to the Sum Insured

a) Directors' and Employees' Personal Property

We will pay up to:

- i. \$1,000 in respect of any one director or employee; or
- ii. a total of \$5,000;

in total, during the Period of Insurance, for the cost of directors' and employees' tools of trade and personal property, excluding Money and not otherwise insured:

- iii. on the Premises; and
- iv. lost, destroyed, or damaged as a result of a Defined Event in Section 3.2.

b) Repairing Damage to Building

We will pay up to:

- i. \$5,000; or
- ii. the amount specified in the Certificate of Insurance;

whichever is the greater, in total, during the Period of Insurance, for repairing the damage to the Building arising from Burglary or attempted Burglary, but only if you are a tenant and liable under the terms of the lease for damage to the Building.

c) Temporary Removal

We will pay up to 20% of the Sum Insured for Contents, in respect of Contents being lost, destroyed or damaged during the Period of Insurance as a result of Burglary, while those Contents are temporarily removed from the Premises, but excluding:

- i. Stock in Trade that is held by you on consignment to sell on behalf of someone else;
- ii. Money, clothing or personal effects owned by you or by the owners, partners, proprietors, directors or employees of your Business;
- iii. Contents that have been removed from the Premises for a period in excess of 90 days without our written agreement to continue cover.

d) Theft without forcible or violent entry

We will pay up to \$2,000 in respect of Theft of Contents (other than Stock in Trade and goods belonging to customers), while within the Premises, without evidence of forcible or violent entry into the Premises, provided we are satisfied that the Theft was not committed by:

- i. members of your family; or
 - ii. persons in your service.
- e) Permanently Fixed (non-portable) Apparatus
- We will pay up to \$2,500, but only if, and to the extent that, the Sum Insured on Contents is not otherwise exhausted, for Theft, whether following forcible or violent entry or otherwise, of permanently fixed (non-portable) apparatus or appliances, owned by you or for which you are legally responsible, attached to a building at the Premises other than by means of a flexible or tensile cord to a power point.
- f) Seasonal Increase in Sum Insured for Stock in Trade
- We will increase the Sum Insured for Stock in Trade by:
- i. 50% for the 3 days prior to Gazetted Monday Public Holidays and until the conclusion of the following trading day; and
 - ii. 50% for the 90 days specified in the Certificate of Insurance, or where no days are specified, by:
 - (A) 50% from the 1st of November to the conclusion of trading on the 16th of January in the following year; and
 - (B) 50% for the 30 days immediately prior to Good Friday; and 10 days following Good Friday.

3.5 Specific exclusions

We do not insure you under Section 3 for any of the following circumstances.

Excluded circumstances

1. Money

We will not pay for loss, destruction, or damage of Money.
2. Tobacco

We will not pay for loss, destruction, or damage of tobacco, cigars, or cigarettes, unless specified in the Certificate of Insurance.
3. Vehicles, Aircraft, or Watercraft

We will not pay for loss, destruction, or damage of motor vehicles of any type, including motorcycles, trailers, tractors, and self-propelled implements, watercraft, aircraft, or their accessories, unless specified in the Certificate of Insurance.
4. Plans or Designs

We will not pay for loss, destruction, or damage of patterns, models, moulds, plans, or designs.
5. Glass

We will not pay for breakage of glass.
6. Personal Property and Household Property

We will not pay for loss, destruction, or damage of personal valuables, clothing and personal effects, and all other household property which may be more specifically insured under this policy or any other policy of insurance.
7. During or following Fire

We will not pay for loss, destruction, or damage resulting from Burglary, or attempted Burglary, during or following a fire at the Premises.

8. Unexplained Shortages

We will not pay for loss, destruction, or damage in the form of unexplained shortage and/or disappearance.
9. Connivance, Family or Employees

We will not pay for loss, destruction, or damage resulting from your connivance, or caused by any of your family or your employees, or a person lawfully on the Premises.
10. Theft

We will not pay for loss, destruction, or damage resulting from Theft, except as provided in 3.4(2)(d) and 3.4(2)(e).

Also refer to the General Exclusions in Section 16 which are applicable to Section 3.

3.6 Specific conditions

If you elect to be insured under Section 3 of this policy, you must follow the Specific Conditions noted below otherwise we may deny liability to pay any claim under Section 3.

1. Burglar Alarm Systems

Where the Property at the Premises is protected by a burglar alarm system, you must ensure that:

 - a) the burglar alarm system is made operative whenever the Premises are left unattended; and
 - b) you exercise all due care to maintain all burglar alarm systems under your control so that they are in good working order at all times.

If you do not meet both of these conditions, we may refuse to pay, or reduce the amount we pay, for any claim.

Also refer to the General Conditions in Section 17 which are applicable to Section 3.

Section 4 Money

4.1 Definitions

The intended meaning of some of the important words as used only in Section 4 are shown below.

Money in Transit

- a) Money:
- i. in transit to and from the Premises, while in your personal custody, or in the custody of persons authorised by you; or
 - ii. while contained in the night safe of any bank where you transact business.
- b) Money drawn as wages or salaries, up to an amount not exceeding 40% of the particular withdrawal but only where it is not paid out on the same day and is kept in a securely locked safe, or securely locked strong room on the Premises during non-business hours.
- c) Money in transit does not include Money on the Premises or in a private residence except as provided in (b) above.

Also refer to the [General Definitions](#) which are applicable to Section 4.

4.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 4, we insure you against one or more of the Defined Events listed below occurring during the Period of Insurance but only if individually selected by you and specified in the Certificate of Insurance. We do not insure you for the matters stated under We Will Not Pay.

Defined Event	We Will Not Pay Refer also to the Specific Exclusions in Section 4.5 and the General Exclusions in Section 16
1. Loss, Destruction, or Damage to Money in Transit	We will not pay for loss, destruction, or damage: <ol style="list-style-type: none"> a) to Money on the Premises drawn as wages and salaries more than 24 hours after the withdrawal; b) to Money in the night safe of a bank after closing time on the next bank business day following the deposit into the night safe; or c) which did not occur within the Commonwealth of Australia.
2. Loss, Destruction, or Damage to Money on the Premises during your business hours	
3. Loss, Destruction, or Damage to Money on the Premises outside your business hours	

4. Loss, Destruction, or Damage to Money on the Premises while in a securely locked safe or strongroom, or when removed from the safe or strongroom for preparation for banking but only up to the time transit to your bank begins	We will not pay for any loss, destruction, or damage: <ol style="list-style-type: none"> a) from a safe or strongroom opened by a key or by combination details, either of which has been left on the Premises outside normal business hours; b) which did not occur at the Premises; or c) if the Money is not immediately returned to a securely locked safe or securely locked strongroom: <ol style="list-style-type: none"> i. should any interruption occur during preparation for banking; or ii. while awaiting transit to your bank.
5. Loss, Destruction, or Damage to Money in your personal custody, or in the custody of persons authorised by you, while contained in your, or their, private residence	We will not pay for any loss, destruction, or damage: <ol style="list-style-type: none"> a) which did not occur within the Commonwealth of Australia; or b) after the bank closing time on the next bank business day following the completion of the transit of the Money to the private residence.

4.3 Settlement

If you have a valid claim under Section 4, we will pay you on the basis set out below.

Settlement basis

1. Our Limit of Liability

Our liability is limited to the Sum Insured, less the stated Excess.
2. Automatic Reinstatement of the Sum Insured

If we agree to pay you for loss under Section 4, we will reinstate your Money Sum Insured provided that you pay any additional premium required by us.

4.4 Additional benefits

1. If you have a valid claim under Section 4.2(4) for loss, destruction, or damage to Money on the Premises while in a securely locked safe or strongroom, we will also insure you for the following Additional Benefit necessarily and reasonably incurred, but you must obtain our consent prior to any of the costs being incurred.

Limits to Additional Benefit, in addition to the Sum Insured

- a) Safes and Strongrooms

We will pay up to a total of \$5,000 during the Period of Insurance for loss, destruction, or damage to the safe or strongroom caused by any person, not authorised by you, attempting to effect entry.

2. If you are insured under Section 4, we will extend your insurance to include the following Additional Benefit.

Limits to Additional Benefit, in addition to the Sum Insured

- a) Seasonal Increase in Sum Insured

We will increase the Sum Insured specified in the Certificate of Insurance by:

- i. 50% for the 3 days prior to Gazetted Monday Public Holidays and until the conclusion of the following trading day; and
 - ii. 50% for the 90 days specified in the Certificate of Insurance, or where no days are specified, by:
 - (A) 50% from the 1st of November to the conclusion of trading on the 16th of January in the following year; and
 - (B) 50% for the 30 days immediately prior to Good Friday; and 10 days following Good Friday.
- b) Theft by employees

We will pay up to a total of \$1,000 during the Period of Insurance for loss, destruction, or damage from acts of fraud, or dishonesty, committed by an employee or group of employees acting in collusion provided that:

- i. The employee or employees are charged in connection with the loss.
- ii. You must, immediately when you discover a loss, take all steps to regain possession of the Money.

We will not pay for any loss arising from an act of fraud or dishonesty committed by an employee after you have knowledge of, or reasonable cause to suspect, the commission by the employee of an act of fraud or dishonesty, unless when you first obtained knowledge or reasonable cause for suspicion, the money, the subject of the loss, was in the possession of the employee.

7. Trickery

We will not pay for loss, destruction or damage as a result of trickery.

Also refer to the General Exclusions in Section 16 which are applicable to Section 4.

4.6 Specific conditions

If you elect to be insured under Section 4 of this policy, you must follow the Specific Conditions noted below otherwise we may deny liability to pay any claim under Section 4.

1. Burglar Alarm Systems

Where the Property at the Premises is protected by a burglar alarm system, you must ensure that:

- a) the burglar alarm system is made operative whenever the Premises are left unattended; and
- b) you exercise all due care to maintain all burglar alarm systems under your control so that they are in good working order at all times.

If you do not meet both of these conditions, we may refuse to pay, or reduce the amount we pay, for any claim.

Also refer to the General Conditions in Section 17 which are applicable to Section 4.

4.5 Specific exclusions

We do not insure you under Section 4 for the following circumstances.

Excluded circumstances

1. Shortages

We will not pay for shortages resulting from clerical or accounting errors or errors in receiving or paying out Money.

2. After Five Days

We will not pay for loss, destruction, or damage not discovered within five working days of its occurrence.

3. Family or Employee

We will not pay for loss, destruction, or damage through collusion, embezzlement, or misappropriation by you, any member of your family, directors, partners, or employees, except as provided in Section 4.4(2)(b).

4. Carriers

We will not pay for loss, destruction, or damage to money carried by professional money carriers, professional carriers, or common carriers.

5. Unattended Vehicle

We will not pay for loss, destruction, or damage from an unattended vehicle.

6. Ransom or Extortion

We will not pay for loss, destruction, or damage due to ransom or extortion, other than actual assault or the threat of immediate violence to any person on the Premises.

Section 5 Glass

5.1 Definitions

The intended meaning of some of the important words as used only in Section 5 are shown below.

Advertising Signs

Advertising signs or fluorescent display tubes in, or attached to, the Premises.

Breakage

A fracture extending through the entire thickness of the External Glass, Internal Glass, or Advertising Signs and lamination but not scratching or any other damage to, or imperfection of, the External Glass, Internal Glass, or Advertising Signs.

External Glass

- a) Fixed glass in windows including window film, fanlights and skylights; and
- b) ceramic tiled shop fronts;

all forming part of the building, which you own or for which you are legally responsible.

Internal Glass

- a) Fixed glass in cabinets, table tops, shelves and showcases;
- b) vitreous china urinals, toilet pans and hand basins; and
- c) fixed mirrors;

which you own or for which you are legally responsible.

Also refer to the [General Definitions which are applicable to Section 5](#).

5.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 5, we insure you against the Breakage of:

1. Internal Glass;
2. External Glass; or
3. Advertising Signs;

occurring during the Period of Insurance at the Premises, but only if individually selected by you and specified in the Certificate of Insurance.

We do not insure you for the matters set out in the Specific Exclusions in Section 5.5 or the General Exclusions in Section 16.

5.3 Settlement

If you have a valid claim under Section 5, we will at our option pay for, reinstate, or repair the Property on the basis set out below.

Settlement basis

1. External Glass or Internal Glass

We will supply and fix in its frame replacement glass:

- a) of the same type and quality as the broken glass; or

- b) as required by Australian Standard AS1288 - 1994 Glass Code.

2. Advertising Signs

We will Reinstate the Advertising Signs.

3. Our Limit of Liability

Our liability is limited to the:

- a) replacement value for External Glass or Internal Glass; or
- b) Sum Insured for Advertising Signs;

less the stated Excess.

4. Automatic Reinstatement of the Sum Insured

If we agree to pay you for loss under Section 5, we will reinstate your Glass Sum Insured provided that you pay any additional premium required by us.

5. Salvage

- a) You must carefully preserve all glass.
- b) Glass salvaged from any Breakage becomes our property.

5.4 Additional benefits

If you have a valid claim under Section 5, we will also insure you for the following Additional Benefit necessarily and reasonably incurred but you must obtain our consent prior to any of the costs being incurred.

Limits to Additional Benefit, in addition to the replacement value or Sum Insured

1. Signwriting and Repairs

We will pay up to a total of \$5,000 during the Period of Insurance, for the cost of:

- a) signwriting or lettering;
- b) temporary shuttering;
- c) repairing damage to window frames, door frames, and burglar alarm tapes; and
- d) replacing at cost price only, Property spoiled by broken glass;

as a result of a Defined Event in Section 5.2.

5.5 Specific exclusions

We do not insure you under Section 5 for any of the following circumstances.

Excluded circumstances

1. Transit

We will not pay for Breakage during transit of any glass.

2. Removal or Alteration

We will not pay for Breakage during the removal or alteration of any glass.

3. Framework, Beadings, or Fittings

We will not pay for Breakage during the removal or alterations of the framework, beadings, or other fittings.

4. Fire

We will not pay for Breakage caused by fire.

Also refer to the [General Exclusions in Section 16 which are applicable to Section 5](#).

Section 6

Broadform liability

6.1 Definitions

The intended meaning of some of the important words as used only in Section 6 are shown below.

Aircraft

Any vessel, craft, aerial device, or thing, designed to fly in, or through, the atmosphere or space, including air cushion vehicles.

Business

The business, trade, or profession specified in the Certificate of Insurance including:

- a) the provision and management of:
 - i. canteen, social, sports, welfare, and child care facilities by you for your employees' benefit; and
 - ii. first aid, medical, fire, and ambulance services by you; and
- b) your ownership or occupation of premises.

Manufacturer

A business which:

- a) manufactures goods; or
- b) is deemed to be a manufacturer under the Trade Practices Act 1974, because it:
 - i. holds itself out to the public as a manufacturer;
 - ii. has its own brand name on the goods;
 - iii. permits another person to promote the goods manufactured by the business; or
 - iv. imports the goods.

Occurrence

- a) Any:
 - i. event, including continuous or repeated exposure to substantially the same general conditions, which results in Personal Injury or Property Damage neither expected nor intended by you; or
 - ii. intentional act, by you or at your direction, resulting in Personal Injury but only if such Personal Injury arises solely from the use of reasonable force for the purpose of protecting persons or property.
- b) All events and intentional acts (including intentional acts intended to protect persons or property or to prevent any or further damage or loss) arising from one source or original cause are to be regarded as one Occurrence.

Personal Injury

- a) Bodily injury, sickness, or disease including death, shock, fright, mental anguish, mental injury, or disability;
- b) Unlawful arrest, wrongful detention, or false imprisonment;
- c) Wrongful entry or eviction or other invasion of privacy; or
- d) A publication of a libel or utterance of a slander or other defamatory material.

Product Liability

Liability for Personal Injury or Property Damage arising out of Your Product but only if the Personal Injury or Property Damage occurs away from your Premises or premises leased or rented to you and after physical possession of Your Product has been passed to others.

Property Damage

- a) Physical loss, destruction, or damage to tangible property; or
- b) Loss of use of tangible property as a result of physical loss, destruction, or damage to the tangible property.

Territorial Limit

Anywhere in the world, except in the United States of America or Canada or their Territories, Protectorates, or Dependencies where we only insure you for:

- a) Product Liability for Your Product being exported into the United States of America, Canada, or their Territories, Protectorates, or Dependencies; or
- b) Personal Injury or Property Damage occurring during business visits to the United States of America, Canada, or their Territories, Protectorates, or Dependencies by directors or employees, normally resident outside the United States of America, Canada, or their Territories, Protectorates, or Dependencies, but not directors or employees who are engaged in manual labour during any such visit.

Vehicle

Any machine on wheels or self-laid tracks, designed to be propelled by other than manual or animal power and any trailer or other attachment designed to be drawn by any such machine, but not including an Aircraft or Watercraft.

Watercraft

Any vessel, craft, or thing, designed to float on, or in, water or to travel on, or through water.

“you” and “your”

Each person, company, or other entity specified in the Certificate of Insurance as being insured under this policy and also includes:

- a) all subsidiary companies:
 - i. incorporated or acquired within the Territorial Limit;
 - ii. existing before the inception date of Section 6; and
 - iii. declared in the Proposal form;
- b) all companies incorporated or acquired, within the Territorial Limit, during the Period of Insurance and relating to the Business, where the incorporation or acquisition is notified to us in writing within 60 days of the incorporation or acquisition;
- c) any:
 - i. director, executive, officer, employee, partner, or shareholder of the Business;
 - ii. office bearer or member of a canteen, social, sports, welfare, or child care facility provided by the Business for employees' benefit;
 - iii. member of a first aid, medical, fire, or ambulance service provided by the Business; and
 - iv. voluntary worker; while acting in such capacity.

“Your Product” or “Product”

Any thing (including any packaging, containers, directions, markings, instructions, warnings or specifications) manufactured or deemed manufactured, grown, extracted, produced, processed, assembled, constructed, erected, installed, repaired, serviced, treated, sold, supplied, resupplied or distributed by you, or for you in the course of the Business after physical possession has been passed to others.

Also refer to the General Definitions which are applicable to Section 6.

6.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 6, we insure you against all sums which you become legally liable to pay as compensation in respect of:

1. Personal Injury; or
2. Property Damage;

happening during the Period of Insurance as a result of an Occurrence within the Territorial Limit in connection with your Business.

We do not insure you for the incurring of a liability as set out in the Specific Exclusions in Section 6.5 or the General Exclusions in Section 16.

6.3 Settlement

If you have a valid claim under Section 6, we will settle your claim on the basis as set out below.

Settlement Basis

1. Limit of our Liability
 - a) We will pay up to the Limit of Liability, less the stated Excess, for all compensation and Supplementary Payments in respect of any one Occurrence.
 - b) Except for Supplementary Payments as provided in Section 6.3(3)(b), we will not pay more than the Limit of Liability regardless of the number of:
 - i. legal entities comprised under the definition of “you” in Section 6.1;
 - ii. persons or organisations who sustain Personal Injury or Property Damage; or
 - iii. claims made or suits brought on account of Personal Injury or Property Damage.
2. Product Liability

Our total liability for all claims arising out of the Product Liability during the Period of Insurance is limited to the Limit of Liability, less the stated Excess.
3. Supplementary Payments
 - a) We will pay:
 - i. legal costs and expenses incurred by you with our written consent for representation in any court, or in the settlement or defence of any claim;
 - ii. costs and expenses recoverable from you by any claimants; and

- iii. first aid costs incurred by you for first aid rendered to others at the time of an Occurrence of Personal Injury.
 - b) The amount we will pay in (a) is included in the Limit of Liability except for an additional \$500,000 for:
 - i. all claims arising out of Product Liability during the Period of Insurance; or
 - ii. each Occurrence other than arising out of Product Liability;

not arising in the United States of America or Canada or their Territories, Protectorates, or Dependencies.
 - c) If a judgement or an amount required to settle a claim exceeds the Limit of Liability, our liability to pay legal costs and expenses is limited to the proportion the Limit of Liability bears to the judgement or settlement sum.
4. Discharge of Liabilities
 - a) We may at any time pay to you, in respect of all claims:
 - i. the amount of the Limit of Liability; or
 - ii. any lesser sum for which the claims can be settled; after deduction of any sum already paid as compensation in respect of the claims.
 - b) Upon the payment set out in paragraph (a), we will relinquish control of, and be under no further liability under the policy in connection with the claims except for costs, charges, and expenses:
 - i. recoverable from you in respect of the period prior to the date of the payment, whether or not pursuant to an order made subsequently; and
 - ii. incurred by us or incurred by you with our written consent prior to the date of the payment.
 - c) We will not pay for any claim or judgement or defend any suit after our Limit of Liability has been exhausted.
5. Cross Liability

Each of the parties comprising “you” are considered as a separate legal entity and the “you” or “your” will apply to each party as if a separate policy had been issued to each of the parties, but our aggregate liability is limited to the Limit of Liability, less the stated Excess.

6.4 Additional benefits

If you are insured under Section 6, we will extend your insurance to include the following Additional Benefit, subject to the Limit of Liability not being increased.

1. Principals

We insure you for liability to indemnify any principal with whom you have entered into a contract or agreement for the performance of work, and the terms of the contract or agreement requires that you must indemnify the principal, but only:

 - a) in relation to work carried out by you; and
 - b) if the liability would have been implied by law in the absence of the contract or agreement and in respect of claims for which you would be entitled to indemnity under Section 6 if the claim was made against you.

6.5 Specific exclusions

We do not insure you under Section 6 for the following circumstances.

Excluded circumstances

1. Vehicles

We will not pay for claims arising out of, or in connection with:

- a) the ownership, possession, maintenance, or use of any Vehicle which is registered or in respect of which compulsory insurance is required by any legislation; or
- b) the loading of or unloading from any Vehicle which is registered or in respect of which registration is required by any legislation.

2. Aircraft

We will not pay for claims arising directly or indirectly out of, or caused by, or in connection with:

- a) the ownership, possession, use, existence, working, navigation, or operation by you or on your behalf of any Aircraft;
- b) the repair, maintenance, servicing, or installation work in or on any Aircraft;
- c) the use of any of Your Products with your knowledge in the construction of any Aircraft; or
- d) Your Product manufactured specifically for and installed in an Aircraft, or arising out of Your Product which you knew would be so installed.

3. Watercraft

We will not pay for claims arising directly or indirectly out of, or caused by, or in connection with:

- a) the ownership, possession, use, existence, working, navigation, or operation by you or on your behalf of any Watercraft while afloat, except where the Watercraft is less than 8 metres in length;
- b) the repair, maintenance, servicing, or installation work in, or on, any Watercraft; or
- c) shipbreaking or shipbuilding.

4. Pollution

We will not pay for:

- a) claims arising directly or indirectly out of, caused by, or in connection with actual, alleged, or threatened seepage, discharge, dispersal, emission, release, or escape of pollutants being any solid, liquid, gaseous, or thermal irritant or contaminant including, but not limited to:
 - i. smoke, vapour, soot, or fumes;
 - ii. acids, alkalis, or chemicals; or
 - iii. waste, including material to be recycled, reconditioned, or reclaimed; or
- b) any costs of removing, nullifying, or cleaning up pollutants; unless caused by a sudden, identifiable, unintended, and unexpected happening which takes place in its entirety at a specific time and place, provided that:
 - i. if such seepage, discharge, dispersal, emission, release, or escape extends beyond more than one Period of Insurance, we will not pay more than the Limit of Liability stated in the Certificate of Insurance; and

- ii. our total liability for claims during the Period of Insurance is limited to the Limit of Liability, less the stated Excess.

5. Employers' Liability

We will not pay for claims in respect of Personal Injury to any person:

- a) to whom benefits are payable by you under any workers or workmen's compensation legislation;
- b) engaged under a contract of service or apprenticeship with you; or
- c) arising from a liability imposed by any industrial award, agreement, or determination;

but we will pay for:

- d) claims for Personal Injury to any person who, while engaged under a contract of service or apprenticeship with you, is not a "Worker" as defined in the Work Health Act 1986 (NT) or the Workcover Queensland Act 1996 (Qld); and
- e) common law claims for Personal Injury to any person who is deemed to be employed by you under section 175 of the Workers' Compensation and Rehabilitation Act 1981(WA) or deemed a "Worker" pursuant to any other section of the Act, other than those persons excluded by (b) above.

6. Property in your Physical or Legal Control

We will not pay for claims in respect of Property Damage to property owned by you, leased or rented to you, or in your physical or legal control, except for:

- a) Property Damage to premises which are leased or rented to you caused by fire, explosion, water discharging or leaking from any pipe or water system, or impact caused by any Vehicle provided that you must pay the first \$100 in respect of Property Damage caused other than by fire or explosion;
- b) Property Damage to Vehicles, not owned by you, or used by you or on your behalf, while in your physical or legal control but only where:
 - i. the Property Damage occurs while the Vehicle is in a car park owned or operated by you; and
 - ii. no part of your Business is the ownership or operation of a car park for reward; or
- c) claims in respect of property not belonging to you but in your physical or legal control up to \$50,000 for any one Occurrence, but we will not pay for money, securities, or negotiable instruments.

7. Rectifying Faulty Work

We will not pay for claims in respect of rectifying faulty work.

8. Contractual Liabilities

We will not pay for claims arising out of a liability assumed by you under any contract or agreement, except where:

- a) the liability would have been implied by law in the absence of the contract or agreement;
- b) the contract or agreement is specified in the Certificate of Insurance, as insured under "Contractual Liability"; or

- c) the liability is in respect of a claim made by a lessor or landlord for indemnity for Personal Injury or Property Damage under the provisions of a lease or agreement for tenancy of premises occupied by you in connection with the Business, but not in respect of Property Damage to buildings occupied in whole or in part by you, or their contents.

9. Libel or Slander

We will not pay for claims arising out of publication of a libel, utterance of a slander, or defamation:

- a) if the first injurious publication or utterance of the same or similar material by you or on your behalf was made prior to the inception date of Section 6; or
- b) if the publication, utterance, or defamation was:
 - i. made by you, or at your direction, with knowledge of the falsity thereof; or
 - ii. in the course of, or related to, advertising, broadcasting, publishing, or telecasting activities conducted by or on your behalf.

10. Asbestos

We will not pay for claims directly or indirectly caused by, or arising from:

- a) mining, processing, transport, distribution, and/or storage of asbestos;
- b) manufacture of asbestos products and/or processing of materials containing asbestos;
- c) installation, removal, treatment, or storage of materials containing asbestos; or
- d) any process of decontamination, treatment, or control of asbestos.

11. Loss of Use

We will not pay for claims arising from loss of use of tangible property, which has not been physically lost, destroyed, or damaged, resulting from:

- a) delay or lack of performance by you or on your behalf under any contract or agreement; or
- b) the failure of Your Product to meet the level of performance, quality, fitness, or durability expressly or impliedly warranted or represented by you;

except for loss of use of other tangible property resulting from the sudden and accidental physical loss, destruction, or damage to Your Product after Your Product has been put to use by any person or organisation other than you.

12. Faulty Design

We will not pay for claims caused by or arising out of the harmful nature, condition, or quality of any of Your Products, which nature, condition, or quality results from the use of any design, formula, specification, plan, or pattern intended to be used by you.

13. Product Defect

We will not pay for claims in respect of Property Damage to Your Product if such Property Damage is attributable to any defect in Your Product or the harmful nature or unsuitability of Your Product.

14. Product Recall

We will not pay for claims arising from the cost of withdrawal, inspection, removal, reinstallation, repair, replacement, or loss of use of:

- a) Your Product; or
 - b) any property of which Your Product forms a part;
- if Your Product is recalled from the market or from use because of any known or suspected defect or deficiency in it.

15. Professional Liability

We will not pay for claims against you arising out of any negligent act, error, or omission:

- a) in your professional conduct; or
- b) in the professional conduct of any person for whom you may be legally liable;

except for liability of members of your first aid, medical, or ambulance services arising in connection with such activities, other than where your Business involves the provision of professional medical or ambulance services.

16. Discrimination

We will not pay for claims arising out of the breach of any legal obligation relating to the prohibition of discrimination referred to in any anti discrimination legislation.

17. Child Molestation

We will not pay for claims arising out of, or resulting from, the molesting of minors.

18. Contract Works

We will not pay for claims arising out of construction, erection, demolition, alteration, or installation work by you, or on your behalf except, where the total contract price payable to, or by, you at the time of commencement of all work is less than \$500,000.

19. Jurisdiction outside Territorial Limit

We will not pay for claims:

- a) brought against you in the United States of America, or Canada, their Territories, Protectorates, or Dependencies; or
- b) arising as a consequence of:
 - i. you entering into contractual obligations subscribing to the jurisdiction of court of the United States of America, Canada, or their Territories, Protectorates, or Dependencies; or
 - ii. any agreement by you to indemnify any other party in respect of an award, judgement, or settlement made under the jurisdiction of a court in the United States of America, Canada, or their Territories, Protectorates, or Dependencies.

20. Fines and Penalties

We will not pay or be liable for fines, or penalties.

21. Punitive Damages

We will not pay or be liable for aggravated, punitive, or exemplary damages.

22. Underground Cables, Pipes, and Services

- a) We will not pay for claims in respect of Property Damage to underground cables, wires, pipes, or other services caused by or arising out of the use of any mechanical digging, scraping, grading, drilling, or leveling apparatus affixed to or forming part of any Vehicle except where:
 - i. such apparatus is affixed to or forms part of any unregistered Vehicle;

- ii. the appropriate authority has been contacted to verify the existence and location of such underground services and fittings;
 - iii. a plan detailing the location of such services and fittings obtained from the relevant authority prior to the commencement of the work.
- b) You must pay an Excess of \$2,000 for each claim in respect of Property Damage to underground cables, wires, pipes, or other services including their supports and fittings.

23. Cutting, Heating, Welding or Grinding

We will not pay for claims arising directly or indirectly out of, or caused by, or in connection with:

- a) cutting;
- b) heating;
- c) welding; or
- d) grinding;

except where you have complied with the current Australian Standard AS1674.1 Safety in Welding and Allied processes – Fire Precautions as set out in the Standard or Code.

24. Advice for a Fee

We will not pay for claims caused by or arising out of your rendering or failure to render advice (other than advice in respect of the use or storage of your Products), for a fee, but only where that fee, or a discrete part of that fee is directly payable for the advice (whether written or verbal).

Also refer to the General Exclusions in Section 16 which are applicable to Section 6.

6.6 Specific conditions

If you are insured under Section 6 of this policy, you must follow the Specific Conditions noted below otherwise we may deny liability to pay any claim under Section 6.

1. Claims Procedures and Requirements

You must:

- a) immediately notify us in writing of the Occurrence of any Personal Injury or Property Damage;
- b) provide us with all reasonable particulars and information that we may require;
- c) immediately on receipt, forward to us every letter, writ, summons, and process;
- d) give all information and assistance we may require in the prosecution, defence, or settlement of any claim; and
- e) use best endeavours to preserve any damaged, defective, or other appliances, plant, or things which might prove necessary or useful by way of evidence in connection with any claim.

2. Alteration or Repair

You must not alter or repair any building, appliance, plant, or thing relevant to any claim, until we have the opportunity of an inspection, unless necessary for practical or safety reasons.

3. No Admission of Liability

You must not make any admission of liability, offer, promise, or payment without our prior written consent.

4. Premium Adjustment

- a) Unless otherwise indicated, the Premium for your insurance under this Section is adjustable.
- b) If the first or renewal Premium for this Section, or any part of it, is calculated on statements and estimates furnished by you, you must:
 - i. keep an accurate record containing all relevant particulars;
 - ii. within 2 months of the end of each Period of Insurance furnish them to us; and
 - iii. at all times allow us to inspect your records.

5. Notice

Every notice or communication to us must be in writing.

6. Inspection

- a) If required by us you must allow us:
 - i. at any time to inspect your Property and operations; and
 - ii. to examine and audit your books and records at any time during the Period of Insurance and within 3 years of the final termination of cover under this Section.
- b) Neither our inspection nor any report constitutes an undertaking to determine or warrant that such Property or operations are safe, healthful, or are in compliance with any law, rule, or regulation.

7. Product Recall

You must at your own expense take reasonable action to trace, recall, or modify any of the Products containing any defect or deficiency which you have knowledge of, or have reason to suspect contain any defect or deficiency.

8. Reasonable Care

You must:

- a) take all reasonable precautions to prevent Personal Injury and Property Damage and comply with all statutory obligations for the safety of persons or property;
- b) in the event of an Occurrence, promptly take at your own expense all reasonable steps to prevent other Personal Injury or Property Damage from arising out of the same or similar circumstances; and
- c) comply with all statutory obligations concerning the inspection of passenger lifts and steam pressure apparatus.

9. Maintenance of Product Records

You must keep and maintain the following records for at least 12 years after the date upon which such records are brought into existence:

- a) research and development documents;
- b) design and manufacturing specifications;
- c) documents made or received by you showing the source and quality of components received by you;
- d) lists of businesses in the distribution chain;
- e) sales records of goods, including batch and model numbers, by destination and date; and

- f) records or documents containing details of all of your quality control measures, inspections, testing, repairs, replacements, and recalls.

10. Your Responsibility to Identify Manufacturer/Supplier

You must:

- a) supply within 30 days, following receipt of a written request from any person, to that person, particulars identifying:
 - i. the Manufacturer of the Product; or
 - ii. the supplier of the Product to you;in respect of any Product sold or supplied by you to that person; and
- b) retain proof that the person received notification in writing within the 30-day period.

11. Waiver of Subrogation

- a) We will not exercise our rights of subrogation under Section 6 against:
 - i. any corporation, the majority of whose capital stock is owned or controlled by you;
 - ii. any corporation, firm, or individual who owns or controls the majority of your capital stock; or
 - iii. any corporation, firm, or individual to which, or to whom, protection is afforded under Section 6.
- b) We will however exercise our rights of subrogation if such corporation, firm, or individual is protected from such loss by any other insurance, but only to the extent and up to the Sum Insured/Limit of Liability of the other insurance.

Also refer to the General Conditions in Section 17.

Section 7

Personal accident and illness

7.1 Definitions

The intended meaning of some of the important words as used only in Section 7 are shown below.

Average Weekly Earnings

The average weekly amount earned by the Insured Person (after deducting the average weekly expenses incurred in earning that income) over the period that the Insured Person has been continuously engaged in his or her occupation, trade, business, profession or employment, or over 52 weeks, whichever is the shortest period, immediately before the date on which the Defined Event occurred.

If the insured is a proprietor or partner in a business we will also include in Average Weekly Earnings for each week of continuing incapacity, 1/52nd of the share of the annual expenses which:

- a) are the ongoing expenses of the business;
- b) are normally paid from the gross billings attributable to the personal efforts of the insured person; and
- c) the insured person must continue to meet.

Capital Benefit

The amount specified in the Certificate of Insurance as the "Capital Benefit".

Compensation

The amount calculated by multiplying the percentages specified in the Defined Events in Section 7.2 by the Capital Benefit or Weekly Benefit.

Excess Period

The period, shown in your Certificate of Insurance, for which we will not pay you Compensation, beginning after the Insured Person first receives medical advice from a registered medical practitioner, in respect of each separate occurrence of any Defined Event.

Illness

Any sickness, disease, or physical impairment of the Insured Person, first manifesting itself during the Period of Insurance and which prevents the Insured Person from engaging in, or attending to, all of his/her normal duties of profession, business, or occupation but not including an Injury.

Injury

Bodily injury caused by accident to the Insured Person but not including any condition which is also an Illness.

Insured Person

A person specified in the Certificate of Insurance as a person in respect of whose Injury or Illness insurance cover is provided under this Section.

Weekly Benefit

The amount specified in the Certificate of Insurance as the "Weekly Benefit".

Also refer to the General Definitions which are applicable to Section 7.

7.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 7, we insure you against any Defined Event listed below, occurring to the Insured Person anywhere in the world during the Period of Insurance, but only if the Defined Event is individually selected by you and specified in the Certificate of Insurance.

We do not insure you for the matters set out in the Specific Exclusions in Section 7.5 or the General Exclusions in Section 16.

Defined Event	Of the Capital Benefit
1. Injury to the Insured Person, which must within 12 calendar months, result in his/her:	
a) Death;	100%
b) Total and irrecoverable loss of all sight in both eyes;	100%
c) Total and permanent loss of the use of both hands;	100%
d) Total and permanent loss of the use of both feet;	100%
e) Total and permanent loss of the use of one hand and one foot;	100%
f) Total and permanent disablement such that he/she cannot engage in or attend to any profession, business or occupation for the remainder of his/her life;	100%
g) Total and permanent loss of the use of one arm or of the greater part of one arm;	80%
h) Total and permanent loss of the use of one leg;	75%
i) Total and irrecoverable loss of all sight in one eye together with irrecoverable loss of at least 50% of the sight in the other eye;	75%
j) Total and permanent loss of the use of one hand or of five fingers of one hand, or the lower part of one arm;	70%
k) Total and permanent loss of the use of one foot or the lower part of one leg;	60%
l) Total and permanent loss of hearing;	50%
m) Total and irrecoverable loss of all sight in one of two eyes;	50%
n) Total and irrecoverable loss of the lens in one of two eyes;	50%
o) Total and permanent loss of the use of one thumb -	
i. both phalanges; or	30%
ii. one phalanx;	15%
p) Total and permanent loss of the use of any finger -	
i. three phalanges;	10%
ii. two phalanges; or	8%
iii. one phalanx;	4%
q) Total and permanent loss of the use of -	
i. all toes of each foot;	30%
ii. great toe - both phalanges;	10%
iii. great toe - one phalanx; or	5%
iv. each toe other than great toe; or	4%
r) Total and permanent deafness of one ear.	12.5%

Defined Event	Of Weekly Benefit
2. Injury which within 12 calendar months results in:	
a) total disablement of the Insured Person from engaging in or attending to his/her normal duties of profession, business, or occupation; or	100%
b) partial disablement of the Insured Person from engaging in or attending to his/her normal duties of profession, business, or occupation.	25%
3. Illness of the Insured Person.	100%
Defined Event	Of the Capital Benefit
4. Illness of the Insured Person resulting in:	
a) total and incurable blindness; or	
b) complete and permanent paralysis of any two limbs;	
such blindness or paralysis having continued for a period of 12 calendar months provided that the Insured Person has become entitled to Compensation for Illness under Section 7.2(3) only.	100%

7.3 Settlement

If you have a valid claim under Section 7, we will settle the claim on the basis set out below.

Settlement basis

1. Compensation

We will pay you Compensation.

2. Our Limit of Liability

- a) If you become entitled to Compensation for Capital Benefit under more than one Defined Event in Section 7.2(1) resulting from the same Injury, we will not pay:
 - i. for any Defined Event if it is included in any other Defined Event for which a greater amount of Compensation is payable; or
 - ii. in total, more than the Capital Benefit.
- b) We will not pay Compensation:
 - i. for the same Insured Person after you received Compensation for Capital Benefits under Section 7.2(1)(a) to (n), or 7.2(4);
 - ii. for Weekly Benefits under Sections 7.2(2) and 7.2(3):
 - (A) for a total period exceeding 104 weeks, as a result of any single Injury or Illness; or
 - (B) in respect of the same period of time; or
 - (C) for any amount exceeding 85% of the Insured Person's Average Weekly Earnings not replaced from any other source; or
 - iii. for any period prior to the Insured Person receiving medical advice from a registered medical practitioner.
 - iv. for any Excess Period.
- c) The Weekly Benefits in Sections 7.2(2) and 7.2(3) are in addition to the Capital Benefits in Sections 7.2(1) and 7.2(4), if selected by you and specified in the Certificate of Insurance.

3. Workers Compensation

The total amount of Compensation payable for Weekly Benefits in Sections 7.2(2) and 7.2(3) will be reduced by the amount of weekly compensation payable to the Insured Person for the same Injury or Illness pursuant to the provisions of workers' compensation or similar legislation.

7.4 Additional benefits

1. If you have a valid claim for Capital Benefits under Sections 7.2(1)(f) for total and permanent disablement, or 7.2(4), we will also insure you for the following Additional Benefit necessarily and reasonably incurred, but you must obtain our consent prior to any of the costs being incurred.

Limits to Additional Benefits, in addition to the Sum Insured

a) Rehabilitation Costs

We will pay up to a total of \$10,000 for each Insured Person, for the costs incurred by the Insured Person to:

- i. undergo a rehabilitation program;
- ii. acquire necessary equipment; or
- iii. modify his/her home or car;

other than hospital treatment or ancillary health benefits as set out in the National Health Act 1953.

2. If you are insured under Section 7, we will extend your insurance to include the following Additional Benefits.

Limits to Additional Benefits, not in addition to the Sum Insured

a) Disappearance

- i. If the:

(A) Insured Person disappears following the sinking, disappearance or wrecking of the conveyance in which the Insured Person was an occupant; and

(B) Insured Person's body is not found within one year;

we will presume that the Insured Person has died as a result of Injury.

- ii. If after payment of Compensation, the Insured Person is found alive, you must repay the Compensation to us.

b) Exposure

If following Injury the Insured Person is exposed to the elements and as a result suffers a condition for which Compensation is payable, such condition will be treated as though it was an Injury.

2. Venereal Disease

We will not pay for Injury or Illness caused directly or indirectly by, or attributable to venereal disease or the contraction or complications of any sexually transmitted disease, other than syphilis technica.

3. HIV or AIDS

We will not pay for Injury or Illness caused directly or indirectly by, or attributable to infection with Human Immunodeficiency Virus (HIV) or variants including Acquired Immune Deficiency Syndrome (AIDS) or any illness which is caused by or made more likely by the contraction of HIV or its variants and AIDS Related Complex (ARC).

4. Hernia

We will not pay for Injury or Illness caused directly or indirectly by, or attributable to hernia however caused, except where the Insured Person is insured for both Injury and Illness.

5. Alcohol or Drugs

We will not pay for Injury or Illness caused directly or indirectly by, or attributable to the Insured Person being:

- a) under the influence of intoxicating liquor or drug, other than a drug taken or administered by, or in accordance with, the advice of a registered medical practitioner; or
- b) addicted to intoxicating liquor, or drugs.

6. Riot, Malicious Act, or Criminal Act

We will not pay for Injury or Illness caused directly or indirectly or attributable to or consequential upon the Insured Person:

- a) taking part in a riot or civil commotion;
- b) acting maliciously; or
- c) taking part in any criminal activity.

7. Aerial Activities

We will not pay for Injury or Illness caused directly or indirectly or attributable to or consequential upon the Insured Person engaging in any form of aerial flight or aerial activities, except if the Insured Person travels by air as a passenger in an aircraft that is authorised to fly under any legislation that relates to the safety of aircraft.

8. Sports or Motor Cycling

We will not pay for Injury or Illness caused directly or indirectly by, or attributable to the Insured Person engaging in:

- a) football of any code, except amateur football but only if you have selected the Optional Cover in Section 7.7(3);
- b) polo, polocrosse, boxing, kickboxing, wrestling, racing of any kind (other than on foot), underwater activities (involving artificial breathing methods), competitive snow or ice sports, ski-jumping either water or snow, pot holing, bungee jumping, mountaineering or rock climbing, abseiling, hang-gliding, paragliding, or parachuting of any kind;
- c) water skiing or riding on a flotation device being towed by a boat, except if you have selected the Optional Cover for Water Skiing in Section 7.7(2);
- d) motorcycling as passenger or driver, unless:
 - i. the motorcycle is being so used in connection with the business of working on a farming or pastoral property and has an engine capacity of not more than 400 cubic centimetres; or

7.5 Specific exclusions

We do not insure you under Section 7 for Injury or Illness in the circumstances set out below.

Excluded circumstances

1. Suicide

We will not pay for Injury or Illness caused directly or indirectly by, or attributable to a deliberate self-inflicted injury or suicide.

- ii. you have selected the Optional Cover for Motorcycling in Section 7.7(1); or
- e) professional sporting activities.

9. Excluded Condition

We will not pay for Injury:

- a) arising in any way from any "Excluded Condition" specified in the Certificate of Insurance;
- b) beyond the usual time determined by a registered medical practitioner that the Insured Person should have recovered from the Injury if recovery had not been hindered by the "Excluded Condition"; or
- c) which would not have incapacitated the Insured Person but for the "Excluded Condition".

10. Excluded Illness

We will not pay for any:

- a) pre-existing illness specified in the Certificate of Insurance as excluded; or
- b) illness existing at, or contracted within 28 days after, the commencement of insurance under Sections 7.2(3) and 7.2(4).

11. Existing Condition

We will not pay for any pre-existing condition or illness.

12. Illness Age Limit

We do not insure any person over 60 years of age under Sections 7.2(3) and 7.2(4).

Also refer to the [General Exclusions in Section 16](#) which are applicable to [Section 7](#).

7.6 Specific conditions

If you elect to be insured under Section 7 of this policy, you must follow the Specific Conditions noted below otherwise we may deny any liability to pay any claim under Section 7.

1. Medical Consultation

- a) Immediately following the occurrence of any Injury or Illness which may give rise to a claim under this Section, the Insured Person must at his/her expense consult a registered medical practitioner and follow the advice given.
- b) You must supply, at your expense, all certificates and information required by us and in a form acceptable to us.
- c) The Insured Person must comply with all requests by us to undergo any medical examination as often as is required and at our expense.

2. Post Mortem

In the event of the death of the Insured Person we may order a Post Mortem examination at our expense.

3. Notice of Alteration to the Risk

- a) You must give immediate written notice to us of any change in the occupation of any Insured Person and pay any additional Premium that may be required by us.

- b) If after the commencement of this Section any Insured Person is affected by any disease or physical defect or infirmity of which you become aware, you must give written notice to us prior to the next renewal date detailing the circumstances of the change.

4. Additional Accident and Illness Insurance

You must give immediate written notice to us of any other policy of insurance which you have, or become aware of, against accident, disease, injury, or illness, effected by or on behalf of an Insured Person.

Also refer to the [General Conditions in Section 17](#).

7.7 Optional covers

If selected by you and specified in the Certificate of Insurance, the Optional Cover as indicated below will apply.

Details of cover

1. Motor Cycling

We will extend your insurance under Section 7 to include claims for Injury or Illness directly or indirectly caused by or attributable to motorcycling.

2. Water Skiing

- a) We will extend your insurance under Section 7 to include claims for Injury or Illness directly or indirectly caused by or attributable to water skiing or riding on a flotation device being towed by a boat.

- b) We will not pay for Injury or disablement directly or indirectly, caused by, attributable to, or consequential upon ski-jumping.

3. Amateur Football

We will extend your insurance under Section 7 to include claims for Injury or Illness directly or indirectly caused by or attributable to football played as an amateur for and against amateur clubs, or official amateur club training.

4. Optional Exclusion of Initial Period of Compensation

- a) We will not pay Weekly Benefits for Injury or Illness under Sections:
 - i. 7.2(2)(a);
 - ii. 7.2(2)(b); or
 - iii. 7.2(3);
 for the number of weeks specified in the Certificate of Insurance as "Optional Exclusion Of Initial (Number Of) Weeks Period Of Compensation".
- b) We will reduce the 104 weeks aggregate period of Compensation in Section 7.3(2)(b)(ii) by the number of weeks specified.

5. Directors and Board Members

We will pay Compensation should any Defined Event in Section 7.2 occur to a director or board member, anywhere in the world during the Period of Insurance:

- a) but only while actually engaged on your board activities and the necessary travel to and from or during the activities; or
- b) while engaged in any activity if specified in the Certificate of Insurance as "24 Hour Cover".

Section 8 Machinery

8.1 Definitions

The intended meaning of some of the important words as used only in Section 8 are shown below.

Blanket Cover

The electrical or mechanical machinery comprising of:

1. refrigeration and air-conditioning systems up to and including 3.7KW (5hp) compressor motor size;
2. microwave ovens, electronic scales and cash registers;
3. other electric motors up to and including 5KW (7hp) excluding refrigeration and air-conditioning compressor motors; and
4. hot water boilers and/or coffee machines up to and including 75KW (300,000 btu/hr).

Boiler Explosion

The sudden and violent rending of the Boiler or Pressure Vessel by force of internal steam, gas, or fluid pressure (including the pressure of ignited flue gases) causing bodily displacement of its structure together with forcible ejection of its contents.

Boiler or Pressure Vessel

Those parts of the permanent structure of a boiler, pressure vessel, economiser, or superheater and attaching pipe systems, specified in the Certificate of Insurance, which are subject to internal steam, gas, or fluid pressure.

Breakdown

Sudden and unforeseen physical damage which requires immediate repairs or any part to be replaced in order to make the Machine operate in the same manner and condition as before the sudden and unforeseen physical damage.

Collapse

The sudden and dangerous distortion of a Boiler or Pressure Vessel caused by bending or crushing of the permanent structure by vacuum or reduced pressure, or by force of steam, gas, or fluid pressure (other than pressure of ignited flue gases), including damage caused by overheating resulting from deficiency of water.

Machine

The electrical or mechanical machinery specified in the Certificate of Insurance.

Also refer to the [General Definitions which are applicable to Section 8](#).

8.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 8, we insure you against:

1. Breakdown of the Machine; or
2. Boiler Explosion or Collapse of the Boiler or Pressure Vessel; occurring at the Premises during the Period of Insurance.

We do not insure you for the matters set out in the Specific Exclusions in Section 8.5 or the General Exclusions in Section 16.

8.3 Settlement

If you have a valid claim under Section 8, we will at our option pay for, reinstate, or repair the Machine, Boiler or Pressure Vessel on the basis set out below.

Settlement basis

1. Machine
 - a) Where the Machine is:
 - i. lost or destroyed, its replacement by a similar machine to a condition equal to but not better or more extensive than its condition as it was when last working safely before the time of loss or destruction;
 - ii. damaged, the repair and/or restoration of the Machine without deduction for depreciation.
 - b) We are not bound to replace, restore or repair exactly or completely but only as circumstances permit and in a reasonably sufficient manner.
 - c) If the Machine or its component can be repaired, then it must be repaired unless the cost of repair exceeds the replacement cost, in which case the Machine or its component will be replaced without deduction for depreciation.
2. Boiler or Pressure Vessel
 - a) Where the Boiler or Pressure Vessel is:
 - i. lost or destroyed, its replacement by similar property, to a condition equal to but not better or more extensive than its condition when new; or
 - ii. damaged, the repair or restoration of the Boiler or Pressure Vessel to a condition substantially the same as but not better or more extensive than its condition when new.
 - b) We are not bound to replace, restore or repair exactly or completely but only as circumstances permit and in a reasonably sufficient manner.
 - c) If the Boiler or Pressure Vessel can be repaired, then it must be repaired unless the cost of repair exceeds the replacement cost, in which case the Boiler or Pressure Vessel will be replaced without deduction for depreciation.
3. Salvage

Unless otherwise agreed in writing, the agreed value of any salvage will be deducted from any claim and the salvage will remain your property.
4. Our Limit of Liability

Our liability is limited to the Sum Insured, less the stated Excess.
5. Underinsurance
 - a) If your Property is insured for less than 80% of its value determined in accordance with the Property's Settlement Basis in Sections 8.3(1), 8.3(2) or 8.7(1)(c) (ii), at the time the insurance under Section 8 was taken out, renewed, extended, or varied we will only pay that portion of the claim which the Sum Insured bears to 80% of that value, in accordance with the formula:

$$\frac{\text{Sum Insured}}{80\% \text{ of the value of the Property}} \times \text{the amount of the loss, destruction, or damage}$$

Example:

Where the Property is valued at \$20,000 but only insured for \$10,000 and a loss of \$5,000 occurs, we will pay

$$\frac{\$10,000}{(80\% \text{ of } \$20,000)} \times \$5,000 = \$3,125$$

We will not pay \$1,875.

- b) Underinsurance in Section 8.3(5) does not apply if the Sum Insured is indicated as a total limit for any one loss.

8.4 Additional benefits

1. If you have a valid claim under Section 8, we will also insure you for the following Additional Benefits necessarily and reasonably incurred, but you must obtain our consent prior to any of the costs being incurred.

Limits to Additional Benefits, not in addition to the Sum Insured

- a) Overtime, Freight, Hire, and Temporary Repair

We will pay up to a total of 20% of the Sum Insured or \$5,000, whichever is the lesser for:

- i. extra charges for overtime, night work, or work on public holidays;
- ii. express freight within the Commonwealth of Australia other than specifically chartered air freight;
- iii. the cost of hiring of temporary machines; and
- iv. the cost of effecting temporary repair.

- b) Turbine or Deep Well Type Pumps

We will pay up to \$500 for any one occurrence for the costs associated with the removal or reinstallation of turbine or deep well type pumps.

2. If you are insured under Section 8, we will extend your insurance to include the following Additional Benefit.

Limits to Additional Benefits, not in addition to the Sum Insured

- a) Automatic Inclusion of Similar Items

We will insure, for a period not exceeding 3 months, any additional machine, boiler, or pressure vessel which is installed, tested, and commissioned for commercial use and which is of a similar category to any Machine, Boiler or Pressure Vessel previously declared to us, but:

- i. the value of the additional machine, boiler or pressure vessel must not exceed the current Sum Insured;
- ii. the additional machine, boiler or pressure vessel must be free from material defects known to you and must comply with any statutory obligation concerning its examination and certification;
- iii. you must inform us within 3 months of the installation of such additional machine, boiler or pressure vessel and pay the appropriate extra Premium; and
- iv. if following any examination an additional machine, boiler or pressure vessel proves to be unacceptable to us, you will be notified in writing and the insurance on that additional machine, boiler or pressure vessel cancelled.

8.5 Specific exclusions

We do not insure you under Section 8 in the circumstances set out below.

Excluded circumstances

1. Maintenance

We will not pay for maintaining, cleaning, adjusting, overhauling, or making improvements to the Machine, Boiler or Pressure Vessel.

2. Wear, Tear, and Leakage

We will not pay for the cost of rectifying:

- a) wear, tear, or gradual deterioration;
- b) scratching or other marking of painted or polished surfaces;
- c) wearing away or wasting of the material of the Machine, Boiler or Pressure Vessel by atmospheric conditions, rust, erosion, oxidation, leakage, corrosion, or ordinary use;
- d) slowly developing deformation or distortion of any part of the Machine, Boiler or Pressure Vessel;
- e) cracks, fractures, blisters, laminations, flaws, or grooving even if accompanied by leakage or damage to tubes, heaters, or other parts of the Boiler or Pressure Vessel caused by overheating or leakage at seams, tubes, or other parts of the Boiler or Pressure Vessel; or
- f) failure of joints.

3. Hydraulic or Hydrostatic Test

We will not pay for the cost of rectifying damage arising during the application of or resulting from any hydraulic or hydrostatic test of the Boiler or Pressure Vessel.

4. Perils

We will not pay for loss, destruction, or damage caused by or arising from:

- a) fire, attempts to prevent the spread of fire, extinguishing of a fire, or subsequent demolition;
- b) smoke or soot;
- c) lightning;
- d) explosion, other than Boiler Explosion;
- e) impact of landborne vehicles or waterborne craft;
- f) earthquake, subterranean fire, or volcanic eruption;
- g) landslip, subsidence, or erosion;
- h) riot, strike, lockout, civil commotion, persons acting maliciously on behalf of or in connection with any political organisation, or cessation of work whether total or partial;
- i) aircraft or other aerial devices or articles dropped therefrom;
- j) storm, tempest, windstorm, hurricane, or cyclone;
- k) Rainwater or Flood;
- l) liquid or substance discharging or leaking from any apparatus, appliance, pipe, or other system, unless the apparatus, appliance, pipe, or other system forms part of the Machine;
- m) stealing or attempted stealing; or
- n) malicious damage.

5. Existing Faults

We will not pay for faults or defects known to you, or your employees, and not disclosed to us at the time this insurance was entered into.

6. Unsafe or Unlawful Operation

We will not pay:

- a) if at the time of loss, destruction, or damage:
 - i. the setting of any safety device was in excess of the limit imposed by any applicable regulation or the limit recommended by the manufacturer;
 - ii. any safety device was removed or rendered inoperative;
 - iii. the Boiler or Pressure Vessel was not the subject of a current certificate of inspection as required by any regulation; or
- b) where the Boiler or Pressure Vessel:
 - i. does not conform with all applicable Australian standards or codes; or
 - ii. is operating in an unsafe condition; or
- c) where an inspection by a competent person has not been carried out at intervals specified in Australian Standard AS/NZS 3788 1996.

7. Fitting of Automatic Devices to Unattended Combustion Engines

We will not pay for loss, destruction, or damage to an unattended combustion engine as a result of the combustion engine not being fitted with an effective operational engine monitoring device which will stop the combustion engine in the event of a lubricating or cooling fault or failure.

8. Fitting of Flow/Pressure Switch to Submersible or Turbine Pump

We will not pay for loss, destruction, or damage to a submersible or turbine pump as a result of the submersible or turbine pump not being fitted with an effective operational water flow or pressure switch capable of stopping the submersible or turbine pump in the event of water pressure drop or insufficient water flow.

9. Modifications, Alterations, Additions, Improvements or Overhauls

We will not pay for the cost of any modifications, alterations, additions, improvements, or overhauls of the Machine, Boiler or Pressure Vessel.

10. Liability

We will not pay for legal liability of any kind.

11. Consumables and Materials

We will not pay for the cost of replacement of:

- a) heating or defrosting elements, brushes, batteries, screens, sieves, belts, ropes, wires, chains, felts, fabrics, packings, exchangeable tools, dryers, cutting blades, seals, fuses, filters, glass or ceramic components, electric contacts, filaments, tyres, rails, wear plates, dies, engraved cylinders, moulds, patterns, or other parts which by their use and nature suffer a high rate of wear or depreciation;
- b) refrigerant or transformer oils due to defective glands, seals, valves, gauges or loose connections;

- c) fuels, chemicals, filter substances, heat transfer media, cleaning agents, lubricants, oil, catalysts, or other operating material;
- d) concrete, brickwork, or refractories; or
- e) materials in the course of or undergoing processing.

12. Statutory Regulations

We will not pay for the cost of replacement or exchange of:

- a) parts, equipment, or apparatus;
 - b) liquids; or
 - c) refrigerant gases;
- to meet or comply with any statute or regulation in relation to substitution of refrigerant gas requirements whether carried out in the course of payable repairs or as a separate operation.

13. Testing

We will not pay for damage arising from the Machine, Boiler or Pressure Vessel being:

- a) subjected to tests involving abnormal stresses; or
- b) intentionally overloaded.

14. Damage to Machine, Boiler or Pressure Vessel

We will not pay for loss, destruction, or damage to:

- a) computers, telephone and closed circuit television installations, and other office electronic equipment;
- b) gaming, gambling, amusement, vending machinery, audio, or visual entertaining equipment;
- c) any vehicle, caravan, trailer, or cycle;
- d) lifts, escalators, or elevators;
- e) reticulating electrical wiring or lighting equipment;
- f) water and gas piping;
- g) storage tanks and vats;
- h) watercraft; or
- i) aircraft.

15. Warranty or Guarantee

We will not pay for replacement parts, labour cost, or travelling cost recoverable under any supplier, manufacturer, or repairer's warranty or guarantee, or which would have been covered but for a breach of your obligations under the terms of the guarantee or warranty.

Also refer to the General Exclusions in Section 16 which are applicable to Section 8.

8.6 Specific conditions

If you elect to be insured under Section 8 of this policy, you must follow the Specific Conditions noted below otherwise we may deny liability to pay any claim under Section 8.

1. Notice of Alteration and Additions

- a) You must notify us within 30 days of changes in work conditions, removal, alterations, or additions to the Machine, Boiler or Pressure Vessel.
- b) If we do not approve, of such changes, we may cancel the insurance in respect of the Machine, Boiler or Pressure Vessel and return to you a proportion of the Premium for the unexpired Period of Insurance.

2. Claims Procedures and Requirements

- a) You must notify us prior to commencement of any repairs in excess of \$500 to ensure repairs are acceptable to us; and
- b) your repairer must leave on the Premises, for our inspection, all parts which have been replaced.

3. Inspection

You must at all reasonable times permit our representative to inspect the Machine, Boiler or Pressure Vessel.

Also refer to the [General Conditions in Section 17](#).

8.7 Optional covers

If selected by you and specified in the Certificate of Insurance, the Optional Cover as indicated below will apply.

Details of cover

1. Refrigerated Stock

- a) We will pay for loss, destruction, or damage to stock, including their packaging, held in a refrigerated compartment arising from deterioration or putrefaction caused by:
 - i. a breakdown payable under Section 8 or which would have been payable other than for the application of any excess;
 - ii. a breakdown of the public electricity suppliers's system which would have been payable if insured under Section 8, but we will not pay for a deliberate act of the supplier, unless performed for the sole purpose of safeguarding life or protecting a part of the supplier's system; or
 - iii. the operation or failure of the Machine's protective devices or thermostats, but we will not pay for loss, destruction, or damage caused by the manual operation or manual setting of switches or controls.
- b) We will pay for the reasonable expenses incurred to minimise and prevent further loss, provided the expenses do not exceed the loss avoided.
- c) Our liability is limited to:
 - i. the Sum Insured; or
 - ii. the purchase cost of the lost, destroyed, or damaged stock plus the additional expenses incurred;whichever is the lesser, less the stated Excess.
- d) Following the occurrence of loss, destruction, or damage, the Sum Insured is reinstated to the full amount specified in the Certificate of Insurance. You must pay the appropriate extra Premium if required by us.
- e) We will not pay for loss, destruction, or damage resulting from:
 - i. the inefficiency of the refrigeration system to hold the refrigerated compartment containing the refrigerated stock at the required temperature;
 - ii. the accidental or deliberate switching off of the refrigeration system controlling the refrigerated compartment containing the refrigerated stock;
 - iii. shrinkage, inherent defects, or diseases;

- iv. improper storage or stowage or collapse of packing materials;
 - v. refrigerated stock that has passed their used by dates; or
 - vi. damage to goods which are alive or of a bacterial nature.
- f) Unless we have authorised otherwise, any damaged refrigerated stock must be retained for our inspection before disposal.

2. Overseas Air Freight

- a) If you have a valid claim under Section 8 or would have had but for the application of an Excess, we will also insure you for the cost of air freight necessarily and reasonably incurred from anywhere in the world to obtain replacement parts.
- b) Our liability is limited to the Sum Insured stated in the Certificate of Insurance for the cost of overseas air freight, less the Excess on the total claim.

Section 9

Electronic equipment

9.1 Definitions

The intended meaning of some of the important words used in Section 9 only, are shown below.

Breakdown

Physical loss, destruction, or damage resulting from the electronic, electrical, or mechanical failure of the Equipment arising from internal defects causing sudden stoppage of the function and requiring the repair or replacement of the Equipment.

Equipment

The computers, word processors, electronic data processing equipment, systems, or other electronic equipment, specified in the Certificate of Insurance.

Indemnify

- a) Where the Equipment is lost or destroyed, its replacement by similar equipment to a condition equal to but not better or more extensive than its condition at the time of loss or destruction; or
- b) where the Equipment is damaged, the repair or restoration of the Equipment without deduction for depreciation.

Indemnity Period

The period specified in the Certificate of Insurance beginning with the use of a Substitute System and ending not more than the specified number of months later, during which the results of the Business are affected as a result of loss, destruction, or damage payable under Section 9.

Maintenance Agreement

Any agreement which provides for the remedial repair of any fault or breakdown which occurs in the course of the normal operation of the Equipment, including the costs of all parts and labour.

Power Surge Protection Device

A device which will protect the Equipment from loss, destruction, or damage resulting from electrical power supply:

- a) surge, interference, or overload; or
- b) transient surge spikes.

Substitute System

Any reasonable process undertaken to maintain the normal operation of the Business.

Also refer to the [General Definitions which are applicable to Section 9](#).

9.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 9, we insure you against sudden unforeseen physical loss, destruction, or damage of the Equipment, but only:

- a) while at the Premises;
- b) after the completion of successful initial commissioning; and
- c) during the Period of Insurance.

We do not insure you for the matters set out in the Specific Exclusions in Section 9.5 or the General Exclusions in Section 16.

9.3 Settlement

If you have a valid claim under Section 9, we will at our option pay for, reinstate, or repair the Equipment on the basis set out below.

Settlement basis

1. Equipment
 - a) Where the Equipment is:
 - i. lost or destroyed, its replacement by similar equipment, to a condition equal to but not better or more extensive than its condition when new; or
 - ii. damaged, the repair or restoration of the Equipment to a condition substantially the same as but not better or more extensive than its condition when new;provided that a sum equal to the cost of Reinstatement has actually been incurred, otherwise we will Indemnify you.
 - b) We are not bound to Reinstatement exactly or completely but only as circumstances permit and in a reasonably sufficient manner.
 - c) If the Equipment can be repaired, then it must be repaired unless the cost of repair exceeds the replacement cost, in which case the Equipment will be replaced.
 - d) No deductions will be made for depreciation in respect of parts replaced, except that we will deduct from the replacement cost of valves, tubes (including picture tubes), and light sources the percentage which the use, up to the time of failure, bears to the expected life as quoted by the manufacturer or supplier.
2. Expenses

We will pay for all reasonable expenses incurred to return the damaged Equipment to its former state of serviceability, including:

 - a) labour, travel, and call out costs;
 - b) cost of dismantling, re-erection, and removal of debris;
 - c) charges for overtime and work on public holidays; and
 - d) freight within the Commonwealth of Australia including transportation, as freight, by any recognised airline's scheduled service.
3. Maintenance Agreement Requirements
 - a) We will pay for Breakdown of Equipment with a new individual installed value of less than \$75,000, and where the total new installed value of all Equipment is less than \$300,000, without a Maintenance Agreement in force for the full duration of the Period of Insurance.

b) We will not pay for Breakdown of Equipment with a new individual installed value of \$75,000 or greater, and where the total new installed value of all Equipment is \$300,000 or greater, unless you have a Maintenance Agreement in force for the full duration of the Period of Insurance.

4. Salvage

Unless otherwise agreed in writing, the agreed value of any salvage will be deducted from any claim and the salvage will remain your property.

5. Our Limit of Liability

Our total liability is limited to the Sum Insured, less the stated Excess.

6. Automatic Reinstatement of the Sum Insured

If we agree to pay you for loss under Section 9, we will reinstate your Electronic Equipment Sum Insured provided that you pay any additional premium required by us.

7. Underinsurance

a) If your Property is insured for less than 80% of its Reinstatement value at the time the insurance under Section 9 was taken out, renewed, extended, or varied we will only pay that portion of the claim which the Sum Insured bears to 80% of that value, in accordance with the formula:

$$\frac{\text{Sum Insured}}{80\% \text{ of the value of the Property}} \times \text{the amount of the loss, destruction, or damage}$$

Example:

Where the Property is valued at \$20,000 but only insured for \$10,000 and a loss of \$5,000 occurs, we will pay:

$$\frac{\$10,000}{(80\% \text{ of } \$20,000)} \times \$5,000 = \$3,125$$

We will not pay \$1,875.

b) This Section 9.3(7) does not apply if the loss is less than 10% of the Sum Insured at the Premises.

9.4 Additional benefits

If you are insured under Section 9, we will extend your insurance to include the following Additional Benefits.

Limits to Additional Benefits, not in addition to Sum Insured unless otherwise stated

1. Newly Installed or Replaced Items

a) We will pay, in addition to the Sum Insured, up to:

- i. 10% of the total Sum Insured for Equipment; or
- ii. \$10,000;

whichever is the lesser, for successfully tested and commissioned additional equipment, newly installed at the Premises during the Period of Insurance.

b) You must at the end of the Period of Insurance forward to us:

- i. details of the equipment newly installed or deleted during the Period of Insurance; and
- ii. copies of all guarantees/warranties being in effect pertaining to that equipment.

c) Any additional or return Premium will be calculated corresponding to the type and value of the Equipment and the period during which it was insured.

2. Equipment while Temporarily Removed

a) We will pay for loss, destruction, or damage to normally static Equipment while it is being transported away from the Premises to anywhere in the Commonwealth of Australia, for the purpose of repair, alteration, or modification.

b) We will pay up to:

- i. \$5,000; or
- ii. any other amount specifically agreed in writing by us; for any one accident, less an Excess of \$250 for each item.

c) We will not pay for loss, destruction, or damage:

- i. due to theft or attempted theft while the equipment is unattended unless inside a:
 - (A) locked building; or
 - (B) securely locked motor vehicle; or
- ii. unless packed in the original manufacturer's shipment container and packing, or equivalent purpose built transportation container.

9.5 Specific exclusions

We do not insure you under Section 9 in the following circumstances.

Excluded circumstances

1. Maintenance and Alterations

We will not pay for the cost of:

- a) maintenance work; or
- b) alterations, additions, improvements, or overhauls whether carried out in the course of payable repairs or as a separate operation.

2. Wear and Tear

We will not pay for the cost of replacement or restoration following gradual deterioration, wear and tear, rust, corrosion, erosion, oxidation, or scale formation.

3. Temporary Repairs

We will not pay for the cost of temporary repairs except where such repairs constitute part of the final repairs and do not increase the total repair costs.

4. Hire, Rental, Lease, or Loan

We will not pay for loss, destruction, or damage, occurring to Equipment during any period when it is out of your possession on hire, rental, lease, or loan.

5. Atmospheric Moisture or Fluctuation in Temperature

We will not pay for loss, destruction, or damage caused by atmospheric moisture or fluctuation in temperature.

6. Scratching of Painted or Polished Surfaces

We will not pay for loss, destruction, or damage caused by or arising from scratching of painted or polished surfaces.

7. Maintenance Agreement

We will not pay for any loss, destruction, or damage covered under any Maintenance Agreement or which would have been covered but for a breach of your obligations under the terms of the Maintenance Agreement.

8. Manufacturers' or Suppliers' Guarantee/ Warranty

We will not pay for loss, destruction, or damage covered under any manufacturers' or suppliers' guarantee/warranty or which would have been covered but for a breach of your obligations under the terms of the guarantee/warranty.

9. Data or Data Media

We will not pay for loss, destruction, or damage to electronic data processing media unless you have Optional Cover under Section 9.7(2).

10. Computer Virus

We will not pay for loss, destruction, or damage caused by or arising from Computer Virus.

11. Valves, Tubes, and Batteries

We will not pay for the cost of replacement of:

- a) valves, tubes (including picture tubes), and light sources which are components of the Equipment and which:
 - i. have reached the end of their normal working life; or
 - ii. are being replaced because of damage, which in the opinion of the manufacturer or supplier of the Equipment affected, was caused by wearing out resulting from ordinary use or working;
- b) damaged, worn, or spent batteries, belts, chains, tapes, ribbons, films, filters, fuses, electric heating elements, glass components, or lubricants; or
- c) component parts worn or deteriorated through normal operation.

Also refer to the General Exclusions in Section 16 which are applicable to Section 9.

9.6 Specific conditions

If you elect to be insured under Section 9 of this policy, you must follow the Specific Conditions noted below otherwise we may deny liability to pay any claim under Section 9.

1. Claims Procedures and Requirements

- a) You must notify us prior to commencement of any repairs in excess of \$500 to ensure repairs are acceptable to us.
- b) Your repairer must leave on the Premises, for our inspection, all parts which have been replaced.

2. Power Surge Protection

Where a Power Surge Protection Device has been installed, you must ensure that it is maintained in good working condition and activated at all times when the Equipment is connected to the electric power supply.

3. Manufacturers' or Suppliers' Guarantee/Warranty

You must:

- a) lodge with us prior to inception of this insurance, a copy of all guarantees/warranties being in effect pertaining to the Equipment; and
- b) give us 30 days prior notice in writing of any alteration, cancellation, or termination of the guarantee/warranty.

Also refer to the General Conditions in Section 17.

9.7 Optional covers

If selected by you and specified in the Certificate of Insurance, the Optional Cover as indicated below will apply.

Details of cover

1. Portable Equipment

- a) We will pay for loss, destruction, or damage to Equipment specifically designed to be carried by hand or on the person when away from the Premises, and while located (including in transit) in the Commonwealth of Australia.
- b) We will not pay for loss, destruction, or damage:
 - i. due to theft or attempted theft while the portable Equipment is unattended unless inside a:
 - (A) locked building; or
 - (B) securely locked motor vehicle; or
 - ii. from any cause whatsoever while installed or carried in or on an aircraft, aerial device, train, bus, waterborne vessel or craft, unless carried as personal baggage, and not contained or transported in cargo holds.
- c) Our liability is limited to the Sum Insured, less the stated Excess.

2. Electronic Data Processing Media - Loss of Information

- a) If the electronic data processing media (Data Media) is lost, destroyed, or damaged as a result of a Defined Event in Section 9.2, we will pay:
 - i. the reasonable cost of replacement of the lost, destroyed, or damaged Data Media by new unused materials;
 - ii. all reasonable expenses incurred by you strictly for the purpose of restoring the Data Media by reproduction of the data or information to a condition equivalent to that existing prior to the occurrence of loss, destruction, or damage;
 - iii. for lost data or information to be reproduced in an updated form, if the cost of doing so is no greater than that of reinstatement to a condition existing prior to the occurrence of loss, destruction, or damage; and
 - iv. the cost of extra charges incurred for overtime work.
- b) Our liability is limited to the Sum Insured, less the stated Excess.
- c) We will not pay for:
 - i. costs and expenses incurred more than 12 months after the occurrence of physical loss, destruction, or damage payable under Section 9;
 - ii. loss or distortion (of data information or records) which does not arise from physical damage to the Data Media material;
 - iii. wasting, wearing away, or wearing out, caused by or naturally resulting from ordinary use, working, or gradual deterioration;
 - iv. faults or defects known to you, or your employees, and not disclosed to us at the time this insurance was arranged; or

Section 10

Motor vehicles

10.1 Definitions

The intended meaning of some of the important words as used only in Section 10 are shown below.

Accessories

- a) Equipment specifically manufactured and designed for a Vehicle and fitted to the Vehicle as additional equipment, including:
- stereo, cassette, and compact disc players;
 - air conditioning units;
 - alarms and other security devices; or
 - radio receivers, and citizen band radio service equipment;
- but not including:
- performance modification equipment; or
 - radar detection equipment; and
- b) artwork or signwriting, gates, tarpaulins, chains, ropes, and winches while attached to the Vehicle.

Agreed Value

The Sum Insured shown in the Certificate of Insurance for any specified sedan, station wagon, van, or utility with a carrying capacity of less than 2 tonnes.

Market Value

The cost to buy a vehicle of the same age, condition, model, and make as the Vehicle, as assessed by us.

Personal Effects

Items of clothing and personal belongings normally worn or carried by a person but not including:

- firearms, sporting or photographic equipment;
- mobile phones, musical instruments, or computers;
- cheques, money, credit cards, negotiable instruments; or
- jewellery, watches, or furs.

Total Loss

When:

- the likely cost to repair the Vehicle plus the value of any salvage exceeds:
 - the Market Value; or
 - the Sum Insured;whichever is the lesser; or
- Agreed Value; or
- the Vehicle is stolen and not recovered within a reasonable period of time as determined by us.

Tool of Trade

A Vehicle equipped with a tool, implement, or device for:

- digging, scraping, grading, drilling, or levelling; or
- lifting, lowering, or supporting any object or person.

- loss, destruction, or damage caused by atmospheric moisture, or temperature, but not if directly resulting from damage to air conditioning equipment essential for controlling the working or storage environment of the Equipment.

3. Increased Cost of Working

- We will pay for all additional expenditure necessarily and reasonably incurred for the use of a Substitute System during the Indemnity Period:
 - to maintain normal business operation during the interruption following a loss, destruction, or damage payable under Section 9; or
 - if the normal operation of the Equipment is interrupted as the direct result of Breakdown, at the Premises and during the Period of Insurance, for which remedial service is provided under a manufacturer's or supplier's maintenance agreement.
- Our liability is limited to the Sum Insured for:
 - the Indemnity Period;
 - the aggregate of all interruptions during the Period of Insurance; or
 - any one interruption, the pro-rata proportion of the Sum Insured corresponding to the actual duration of the interruption;whichever is the lesser, less the stated Excess.
- The Excess is the first 2 working days or the number of working days specified in the Certificate of Insurance, whichever is greater, of each and every loss.
- We will not pay for:
 - the normal expenses which you would have incurred in the operation of the Equipment;
 - the number of days specified in the Certificate of Insurance;
 - more than 4 weeks of the Indemnity Period due to delay in the repair or restoration of property of foreign manufacture where such delays result from:
 - measures, restrictions, or regulations imposed by any government, public, or local authority;
 - the time required to procure replacement components, parts, or complete equipment in overseas markets;
 - the time required to transport or ship component parts or complete equipment between the Premises and the overseas place of repair or restoration; or
 - the time required to engage and transport overseas specialists or consultants to assist in or supervise local repairs;
 - any expenses incurred during any period where inability to resume normal operation of the Equipment arises solely by reason of the discontinuance of manufacture or obsolescence of the system or any component part of the system; or
 - business interruption periods due to alterations or improvements to the Equipment, or solely due to the need for cleaning, adjustment, inspection, or maintenance.

Vehicle

Any mechanically propelled vehicle designed for use on land only, including a motor car, motorcycle, goods carrying vehicle, trailer, caravan, mobile plant and equipment, tractor, self-propelled agricultural machine, or other vehicle, specified in the Certificate of Insurance and their Accessories.

Also refer to the [General Definitions](#) which are applicable to Section 10.

10.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 10, we insure you against each of the Defined Events listed below occurring during the Period of Insurance within the Commonwealth of Australia except as stated under We Will Not Pay.

Defined Event	We Will Not Pay
1. Loss, destruction, or damage to the Vehicle caused by Accident, Fire, or Theft	<p>We will not pay for:</p> <ul style="list-style-type: none"> a) gradual deterioration or depreciation; b) wear and tear, rust, or corrosion; c) structural, mechanical, electrical, or electronic breakdown, malfunction or failure; d) the tyres of the Vehicle being damaged by application of brakes, or by road punctures, cuts, or bursts; e) loss of use of the Vehicle; or f) loss by Theft during or after a Fire or Accident unless and until steps have been taken to ensure the safety of the Vehicle.

<p>2. The incurring of a Legal Liability to pay compensation or damages for property damage or personal injury caused:</p> <ul style="list-style-type: none"> – by the use of the Vehicle; – by goods falling from or being carried by the Vehicle; or – during loading or unloading of the Vehicle 	<ul style="list-style-type: none"> a) We will not pay for any liability caused by, arising out of, or in connection with: <ul style="list-style-type: none"> i. any contract, warranty, or agreement unless such liability would have attached to you without the contract, warranty, or agreement; ii. the use of any unregistered or unlicensed Vehicle owned by you or in your custody or control; iii. the use of the Vehicle as a Tool of Trade except where the liability is caused: <ul style="list-style-type: none"> (A) directly by the Vehicle and does not involve loss or damage to underground cables, pipes, or other services; (B) by goods being lifted, lowered, or carried by the Vehicle; or (C) by the falling of goods being lifted, lowered, or carried by the Vehicle; iv. delivery to or collection from the Vehicle; or v. the commercial transportation of Hazardous Goods, except as provided in Section 10.3(2)(c). b) We will not pay for any liability: <ul style="list-style-type: none"> i. to any member of your family or to any person ordinarily residing with you or with whom you ordinarily reside; ii. in respect of which you are, or any person is, required by law to have in force at the time such liability is incurred, a policy of insurance; iii. in respect of which insurance is required by virtue of any statutory workers compensation scheme; or iv. for Removal of Debris except as provided in Section 10.4(1)(q). c) We will not pay for: <ul style="list-style-type: none"> i. property belonging to you or in your custody or control; ii. fines or penalties; or iii. punitive, exemplary, or aggravated damages.
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10.3 Settlement

Settlement basis

1. If you have a valid claim for loss, destruction, or damage to the Vehicle under Section 10.2(1), we will settle your claim on the basis set out below.

a) Repair

i. We will either repair or replace the Vehicle, or at our option, make a cash payment equivalent to the cost of repairing or replacing the Vehicle; or

ii. If we elect to repair the Vehicle:

(A) you can suggest a repairer, or you can contact us to suggest one for you. If we do not accept your choice of repairer, you must still co-operate with us to select another repairer that you and we can mutually agree upon.

(B) we may use reusable parts or parts not manufactured by a supplier to the original manufacturer of the Vehicle, which:

- i. are consistent with the age and condition of the Vehicle;
- ii. do not affect the safety or the structural integrity of the Vehicle;
- iii. comply with the Vehicle manufacturer's specifications and applicable Australian Design Rules;
- iv. do not adversely affect the post repair appearance of the Vehicle; and
- v. do not void or affect the warranty provided by the Vehicle manufacturer; and

(C) we may arrange for a part of the repair to be carried out by a specialist service provider, for example windscreen repairs.

iii. If the Vehicle is repaired to a better condition than it was in before the loss, destruction, or damage, you may be required to contribute to the cost of the repairs and your contribution will be based on the increased value of the Vehicle.

b) Cost of Parts

We will not pay for the cost of:

- i. spare parts (whether available within the Commonwealth of Australia or not) in excess of manufacturer's last issued catalogue or price list for use in the Commonwealth of Australia;
- ii. air freight of parts; or
- iii. fabrication of parts.

c) Total Loss

Where we have settled the claim as a Total Loss and you have been indemnified:

- i. the wreckage becomes our property;
- ii. any proceeds of any salvage sale becomes ours; and
- iii. the insurance on that Vehicle terminates and no refund of Premium applies.

d) Our Limit of Liability

Our liability is limited to the Sum Insured, or the Market Value of the Vehicle at the time of loss, destruction, or damage whichever is the lesser amount, less the stated Excess.

e) Limit of Liability for vehicles less than 2 tonnes

If the Vehicle is a sedan, station wagon, van or utility with a carrying capacity of less than 2 tonnes, our liability is limited to the Agreed Value, less the stated Excess.

f) Excess

All applicable Excesses are cumulative.

g) Theft of insured vehicle

If your Vehicle is stolen and not found within 21 days we will declare the Vehicle a Total Loss.

h) Towing

Following loss, destruction, or damage we will pay in addition to the Sum Insured, the reasonable cost of protection and removal of the Vehicle to a suitable repairer, repair centre, or place of safety we authorise.

2. If you have a valid claim for the incurring of a Legal Liability under Section 10.2(2), we will pay for the liability incurred on the basis set out below.

a) Our Limit of Liability

We will pay up to a total of \$20,000,000:

- i. in relation to any one accident or series of accidents arising out of the one event; and
- ii. including all your legal costs and expenses incurred with our written consent or recoverable from you by a claimant;

less any stated Excess.

b) Legal Expenses

- i. We will pay for all legal expenses incurred with our written consent in defending any court proceeding arising from a claim for which cover is provided by this Section.
- ii. We will not pay for legal expenses incurred by your failure to notify us immediately on receipt of any letter, notice of claim, writ, summons, or process.

c) Hazardous Goods

We will pay up to \$25,000 for all claims arising out of any accident involving the commercial transportation of:

- i. any substances which form explosive mixtures with organic and other readily oxidisable materials; or
- ii. petroleum products, toxic chemicals, corrosive acids, inflammable liquids, gases, explosives, or inflammable substances having a closed cup flashpoint below 22.7° Celsius;

provided that the transportation complies with The Australian Code for the Transport of Dangerous Goods by Road and Rail.

10.4 Additional benefits

1. If you are insured for loss, destruction, or damage to the Vehicle under Section 10.2(1), we will extend your insurance to include the following Additional Benefits.

Limits to Additional Benefits, not in addition to Sum Insured unless otherwise stated

a) Taxi Fare

We will pay up to \$50 in addition to the Sum Insured, for the cost of a taxi fare paid by you for transport from the scene of the Accident where the Vehicle is damaged and requires towing, provided that you:

- i. provide us with a receipt; and
- ii. have a valid claim under Section 10.2(1).

b) Return of Vehicle

Where the Vehicle is stolen and recovered, we will pay the necessary costs involved in having the Vehicle returned to the place it is normally garaged.

c) Use of Trailers

We will pay up to \$500 in addition to the Sum Insured for loss, destruction, or damage to any two or four-wheel trailer, other than a caravan, while it is attached to the Vehicle.

d) Approved Security Device

You will not lose your No Claim Bonus applicable to the Vehicle nor will you have to pay any Excess following the Theft or attempted Theft of the Vehicle, if:

- i. the Vehicle is fitted with a security device approved by us; and
- ii. the device was armed and operable at the time of the Theft or attempted Theft.

e) No Blame Bonus

You will not lose the No Claim Bonus applicable to the Vehicle, if the Vehicle was involved in an accident if:

- i. you can provide us with the name and address of the other driver and the registration number of the other vehicle; and
- ii. the driver of the other vehicle was entirely at fault for the accident.

f) Personal Effects

i. We will pay up to \$500 in addition to the Sum Insured for loss, destruction, or damage to Personal Effects belonging to you or your employees, if:

- (A) lost, destroyed, or damaged in an accident involving the Vehicle; or
- (B) stolen from your securely locked Vehicle.

ii. We will not apply any Excess for a claim for Personal Effects only.

g) Accidental Death of Driver

i. We will pay you \$4,000 in addition to the Sum Insured, in the event of the death of the driver of the Vehicle:

- (A) arising out of an accident involving the Vehicle; and
- (B) occurring within 12 calendar months from the date of the accident.

ii. We will not apply an Excess for a claim for Accidental Death of Driver only.

h) Windscreen and Window Glass

- i. We will pay for broken windscreen glass or window glass without loss of the No Claim Bonus applicable to the Vehicle.
- ii. We will not apply any Excess for a claim for a broken windscreen glass or window glass, but only if the Vehicle has a carrying capacity of less than 5 tonnes.

i) Hire Costs Following Theft

i. We will pay up to \$1,000 in addition to the Sum Insured following the theft of the Vehicle for the cost of hiring a similar vehicle for a period:

(A) up to a maximum of 21 days; or

(B) up to the date of recovery of the Vehicle,

whichever is the shortest period of time.

ii. We will pay you up to \$2,000 in total for any excess you are required to pay, and the amount of security bond forfeited under a hire car agreement if:

(A) we have agreed to pay the cost of the hire car; and

(B) the excess or security bond is payable as a result of loss or damage to the hire car or loss or damage caused by the hire car during the hire period we cover.

j) No Fault Excess

i. If your Vehicle is a sedan, station wagon, van, or utility with a carrying capacity of less than 2 tonnes, you will not be required to pay an Excess for a claim, provided that:

(A) you can provide us with the name and address of the other driver and the registration number of the other vehicle;

(B) the driver of the other vehicle was entirely at fault for the accident; and

(C) the amount of the claim exceeds the amount of any Excess, which would have otherwise been applicable.

ii. Where there is a dispute as to fault, you must first pay the applicable Excess, however this will be refunded to you if it is established that the other driver was entirely at fault.

k) Vehicles Being Transported

We will pay for loss, destruction, or damage to the Vehicle whilst being transported by road, rail, sea, or air between places in the Commonwealth of Australia or while being loaded before, or unloaded after such transportation.

l) Car Sharing Agreement

We agree that payment made by passengers as part of a car sharing agreement for social or other similar purposes, including travelling to and from work, does not constitute the conveyance of passengers for hire, fare or reward.

m) Emergency Repairs

We will pay up to \$500 for the reasonable cost of immediate repairs to enable your Vehicle to be driven safely following loss, destruction or damage.

- n) Expediting Expenses
- We will pay up to \$1,000 or 15% of the normal repair costs, whichever is less, for the reasonable cost necessary to effect immediate temporary repairs or to expedite permanent repairs to your vehicle.
- o) Repair Guarantee
- We will arrange for your repairs by us to be rectified at no cost to you if we agree that the repairs are defective. Before we can arrange for the repairs to be rectified, you must allow us to inspect the Vehicle.
- Wear and tear is not covered by this guarantee.
- This guarantee is for the life of the Vehicle. This guarantee is in addition to any statutory rights and warranties that you may be entitled to.
- p) New Vehicle
- If you have a valid claim for loss, destruction, or damage to the Vehicle under this policy and your Vehicle is:
- a sedan, station wagon, van, or utility with a carrying capacity of less than 2 tonnes;
 - less than 24 months old from original registration; and
 - a Total Loss;
- you may elect to have us replace the Vehicle with a similar make and model brand new Vehicle including similar Accessories, subject to local availability.
- q) Removal of Debris
- We will pay up to \$5,000, in addition to the Limit of Liability, for the cost of removal and disposal of any debris resulting from:
- goods falling from the Vehicle; or
 - the spillage, escape, or explosion of goods being carried by the Vehicle;
- as a result of an accident.
2. If you are insured for the incurring of a Legal Liability under Section 10.2(2), we will extend your insurance to include the following Additional Benefits.
- Limits to Additional Benefits, not in addition to Sum Insured unless otherwise stated
- a) Substitute Motor Vehicle
- We will pay for liability arising from the use of a substitute vehicle, provided that:
- the Vehicle must be unable to be used as a result of damage, or mechanical or electrical breakdown or failure;
 - the substitute vehicle must not be owned by you but must be in your custody or control;
 - the substitute vehicle must be similar to the Vehicle;
 - there must be no other insurance policy which provides cover for the same liability; and
 - not more than one substitute vehicle may be used at any one time in respect of the Vehicle.
- b) Use of Trailer
- We will pay for liability arising from any trailer or caravan while it is:
- attached to the Vehicle; or
 - accidentally detached from the Vehicle while in motion.
- c) Indemnity for your Employer or Principal
- We will pay all sums for which your employer, principal, or partner, becomes legally liable to pay as your employer, principal, or partner, in respect of personal injury or property damage caused by, or arising out of, the use of the Vehicle.
- d) Employees using own Motor Vehicle
- We will pay for your liability arising out of your employees using their own motor vehicle while on your Business.
 - We will not pay if your employees are entitled to cover under their own vehicle insurance.
- e) Emergency Services Costs
- We will pay up to \$5,000 for your liability for charges imposed by the following authorities, as a result of an accident involving your Vehicle:
- Fire Brigade;
 - State, Federal or Local Government Emergency Services;
 - Police.
- f) Uninsured Motorist
- We will pay up to \$3,000, where the Vehicle is damaged in an accident with an uninsured vehicle provided that:
- you can provide us with the name and address of the other driver and the registration number of the other vehicle;
 - the driver of the other vehicle was entirely at fault for the accident;
 - the damage to the Vehicle is not otherwise insured under this, or any other policy of insurance;
 - the other vehicle was not owned by you, or registered in your name or the name of any other person with whom you ordinarily reside or who ordinarily resides with you; and
 - you agree not to take any separate action against the other driver without our consent.
- g) Persons Insured
- We will treat as though he or she were you, any person who:
- with your consent was driving, using, or in charge of your Vehicle at the time of the accident, provided that he or she:
 - is not entitled to cover under any other insurance policy; and
 - has not been refused motor vehicle insurance by any insurer; or
 - at the time of the accident was an authorised passenger in your Vehicle.
3. If you are insured under Section 10, we will extend your insurance to include the following Additional Benefits.
- Limits to Additional Benefits, not in addition to Sum Insured unless otherwise stated

- a) Cross Liability
- Where the definition of “you” or “your” comprise more than one party, if one party causes personal injury or property damage and thereby becomes legally liable to one or more of the other parties, we will give cover to the party which has caused the personal injury or property damage but:
- i. our Limit of Liability is not increased by this Additional Benefit; and
 - ii. this Additional Benefit is always subject to the operation of the Joint Insured provision in Section 17(4).
- b) Automatic Additions and Deletions
- i. We will insure any additional vehicle purchased, leased, or hired by you for up to:
 - (A) \$100,000;
 - (B) the vehicle's current market value; or
 - (C) the purchase price of the vehicle;
 whichever is the lesser.
 - ii. You must:
 - (A) notify us within 14 days of the date of the purchase, lease, hire, or sale; and
 - (B) pay any additional Premium requested by us.
 - iii. We will allow a premium adjustment for any Vehicle sold or disposed of during the Period of Insurance.

2. Unroadworthy

We will not pay for loss, destruction, or damage or the incurring of a liability caused directly or indirectly by the unroadworthy or unsafe condition of the Vehicle, being a condition that was known to you, or should reasonably have been known to you, at the time of the occurrence of the loss, destruction, or damage or the incurring of the liability.
3. Intentional Act

We will not pay for loss, destruction, or damage, intentionally caused by, or a liability intentionally incurred by, you or a person acting with your express or implied consent.
4. Deliberate Exposure

We will not pay for loss, destruction, or damage or the incurring of a liability as a result of:

 - a) a deliberate exposure to exceptional danger; or
 - b) any wilful or reckless acts while you are, or any other person with your express or implied consent is, driving or in charge of the Vehicle.
5. Unlawful Purpose

We will not pay for loss, destruction, or damage to the Vehicle, or the incurring of a liability at a time when the Vehicle is being used for an unlawful purpose, by you or by a person with your express or implied consent.
6. Speed Tests

We will not pay for loss, destruction, or damage to the Vehicle, or the incurring of a liability at a time when the Vehicle is being used in, or tested in preparation for racing, pacemaking, a reliability, navigational, or similar trial, or a speed, hill-climbing, or similar test, by you, or by some other person with your express or implied consent.
7. Carrying, Lifting, or Towing Capacity
 - a) We will not pay for loss, destruction, or damage or the incurring of a liability as a result of the Vehicle, carrying, lifting, or towing a load greater than the designed carrying, lifting, or towing capacity of the Vehicle.
 - b) In the case of some person other than you driving or being in charge of the Vehicle, your cover under Section 10 will not be prejudiced if you prove that you did not know, and could not reasonably have known, that the Vehicle was carrying, lifting, or towing a load greater than the designed carrying capacity of the Vehicle.
8. Hire Vehicle

We will not pay for loss, destruction, or damage to the Vehicle, or the incurring of a liability at a time when the Vehicle is being used in the course of the business of carrying passengers for hire or reward, or let on hire by you as lessor, except as provided in 10.4(1)(l) Car Sharing Agreement.
9. Unlicensed Driver
 - a) We will not pay for loss, destruction, or damage to the Vehicle, or the incurring of a liability at a time when you are, or any person with your express or implied consent is, driving the Vehicle and is not authorised under the law in force in the State or Territory in which the Vehicle is being driven, being a law with respect to the licensing of drivers of motor vehicles, to drive the Vehicle.

10.5 Specific exclusions

We do not insure you under Section 10 in the circumstances set out below.

Excluded circumstances

1. Alcohol or Drugs

We will not pay for loss, destruction, or damage, or the incurring of a liability at a time when the Vehicle is being driven by, or is in charge of, any person:

- a) under the influence of any drug or intoxicating liquor;
- b) who is subsequently convicted of or issued with an infringement notice for driving under the influence of alcohol, drugs, or alcohol and drugs;
- c) who is subsequently convicted of or issued with an infringement notice for driving while the percentage of alcohol in the blood exceeds that permitted by the law of any State or Territory; or
- d) who is subsequently convicted of or issued with an infringement notice for refusing to provide or allow the taking of a sample of breath, blood, or urine for preliminary testing or for analysis as required by the law of any State or Territory for the purpose of ascertaining the percentage of alcohol in the blood.

In the case of some person other than you driving or being in charge of the Vehicle, your cover under Section 10 will not be prejudiced if you prove that you did not know, and could not reasonably have known, that the other person was so affected.

- b) In the case of some person other than you driving or being in charge of the Vehicle, your cover under Section 10 will not be prejudiced if you prove that you did not know, and could not reasonably have known, at the time when the consent was given or implied, that person was not so authorised.

10. Liquid Petroleum Gas

We will not pay for loss, destruction, or damage or the incurring of a liability as a result of the use of liquid petroleum gas (LPG) as a source of fuel, unless there has been strict compliance with all relevant statutes and regulations with respect to such use.

11. Stock in Trade

We will not pay for loss, destruction, or damage to the Vehicle, or the incurring of a liability at a time when the Vehicle is in the possession of a person as part of that person's stock in trade.

12. Motor Trade

We will not pay for loss, destruction, or damage to the Vehicle, or the incurring of a liability at a time when the Vehicle is being used in connection with the motor trade to tow some other vehicle, or in an experiment, test, trial, or demonstration.

13. Reasonable Care after Accident

We will not pay for loss, destruction, or damage occurring as a result of you failing to take steps that are, in the circumstances, reasonable for the security of the Vehicle after loss, destruction, or damage to the Vehicle.

14. Seizure or Confiscation

We will not pay for loss, destruction, or damage or the incurring of a liability as a result of lawful seizure, confiscation, nationalisation, or requisition of the Vehicle.

Also refer to the [General Exclusions in Section 16](#) which are applicable to [Section 10](#).

10.6 Optional cover

If you have Accident, Fire and Theft cover for the loss, destruction or damage to the Vehicle under Section 10.2(1), the Optional Cover as indicated below will apply automatically unless you choose not to take this cover.

a) Maximum No Claim Bonus Protection

You are entitled to make one claim each Period of Insurance without losing the No Claim Bonus if the Vehicle:

- i. has a carrying capacity of less than 2 tonnes; and
- ii. is receiving our maximum No Claim Bonus discount.

Section 11

Fraud or dishonesty

11.1 Definitions

The intended meaning of some of the important words as used only in Section 11 are shown below.

Employee

Any person who is engaged by you to work in your service in the ordinary course of your Business:

- a) whom you remunerate by salary, wages, or commission; and
- b) whom you have the right to control and direct in the performance of such work;

but not including a director, partner or trustee of your Business, or any broker, commission merchant, consignee, contractor, or agent.

Property

Money, or goods belonging to you or for which you are legally liable.

Also refer to the [General Definitions](#) which are applicable to [Section 11](#).

11.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 11, we insure you against loss of Property caused by any fraudulent or dishonest act or omission by an Employee with the clear intent of making improper personal financial gain, and occurring within the Commonwealth of Australia during the Period of Insurance.

We do not insure you for any of the matters set out in the Specific Exclusions in Section 11.5 or the General Exclusions in Section 16.

11.3 Settlement

If you have a valid claim under Section 11, we will pay you on the basis set out below.

Settlement basis

1. Our Limit of Liability

Our liability is limited to the Sum Insured, less the stated Excess, for:

- a) any one Employee; or
- b) any number of Employees acting in collusion in respect of:
 - i. the one event; or
 - ii. series of events arising from the one source, which constitute an ongoing course of similar conduct;

irrespective of whether the acts of fraud or dishonesty were committed during more than one Period of Insurance.

2. Employee's Money or Assets

Any Money or assets payable by you to the Employee or in your possession will, to the extent allowed by law, be deducted from the amount payable under Section 11, unless your loss exceeds the amount recoverable under Section 11 in which case the retained amounts will be applied first to the uninsured portion of the loss.

11.4 Additional benefits

1. If you have a valid claim under Section 11, we will also insure you for the following Additional Benefit necessarily and reasonably incurred, but you must obtain our consent prior to any of the costs being incurred.

Limits to Additional Benefits, in addition to Sum Insured

a) External Auditors

We will pay up to:

- i. 10% of the Sum Insured; or
- ii. \$10,000;

whichever is the lesser, for the reasonable cost of external auditors incurred to substantiate a valid claim.

2. If you are insured under Section 11, we will extend your insurance to include the following Additional Benefit.

Limits to Additional Benefits, not in addition to Sum Insured

a) Continuity of Insurance

- i. If Section 11 replaces any prior policy of insurance and there is unbroken continuity of cover, then Section 11 will apply to any loss which is discovered within the Period of Insurance, but we will only pay if this loss would have been reimbursed:

(A) under the prior policy except for the fact that the time limitation within which to discover such loss had expired; and

(B) under Section 11 had this policy been in force when the acts of fraud or dishonesty were committed.

- ii. We will pay up to:

(A) the limit of liability of the previous policy; or
(B) the Sum Insured for Section 11;

whichever is the lesser.

- iii. You must pay:

(A) the excess shown in the previous policy; or
(B) the Excess applicable to Section 11;

whichever is the greater.

b) Superannuation Funds

The definition of you or your, includes any superannuation or pension scheme formed by you and exclusively for the benefit of Employees, but does not include any scheme that is administered by a professional funds manager.

c) Welfare, Social or Sporting Clubs

The definition of you or your, includes any welfare, social or sporting club formed with your knowledge and consent exclusively for the benefit of employees and their families.

11.5 Specific exclusions

We do not insure you under Section 11 for the following circumstances.

Excluded circumstances

1. After Discovery

We will not pay for loss arising from any act of fraud or dishonesty committed by an Employee after discovery by you of any act of fraud or dishonesty on the part of that Employee.

2. Check or Precautions

We will not pay if you fail to perform or observe any check or take any precautions requested by us.

3. Time Limitation

We will not pay for loss discovered after 12 months following the termination of:

- a) Section 11; or
- b) the employment of the responsible Employee;

whichever occurs first.

Also refer to the General Exclusions in Section 16 which are applicable to Section 11.

11.6 Specific conditions

If you elect to be insured under Section 11 of this policy, you must follow the Specific Conditions noted below otherwise we may deny any liability to pay any claim under Section 11.

1. Change of Ownership

You must notify us in writing within 30 days if your Business is merged, amalgamated, or consolidated with another business and pay any adjusted Premium.

2. Discovery of Fraud or Dishonesty

You must notify us immediately upon the discovery of any act or reasonable cause of suspicion of fraud or dishonesty by any Employee whether giving rise to a claim under Section 11 or not.

3. Claims Procedures

Upon discovery of any circumstances giving rise to, or likely to give rise to, a claim under Section 11, you must:

- a) immediately notify us and fully explain all circumstances;
- b) immediately notify the police;
- c) deliver to us a detailed statement within 14 days;
- d) permit us, or our agents, to enquire into, investigate, and examine the circumstances of the loss;
- e) at your expense, produce and supply copies of all books, vouchers, correspondence, documents, receipts, and all entries, in your possession or control, relating to the loss; and
- f) give all possible assistance, as may be required by us, relating to the claim, the correctness of the loss, and our liability under Section 11.

Also refer to the General Conditions in Section 17.

Section 12

General Property

12.1 Definitions

The intended meaning of some of the important words as used only in Section 12 are shown below.

Burglary

- a) Stealing consequent upon actual forcible and violent entry.
- b) Stealing consequent upon threat of immediate violence or violent intimidation.

In Transit

From the time the Property commences to be loaded at the place of dispatch and continues during the normal course of transit, until delivered and unloaded at the place of destination.

Motor Vehicle

Any motor vehicles owned or leased by you and including any attached trailer.

Property

- a) Stock in trade, tools of trade, plant and equipment which you own or for which you are legally responsible; or
- b) Customer's goods for which you are legally responsible.

Also refer to the [General Definitions](#) which are applicable to Section 12.

12.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 12, we insure you against the Property being lost, destroyed, or damaged:

1. whilst in transit as a result of Fire, Flood, Earthquake, Explosion, or Collision or Overturning of the Motor Vehicle carrying the Property; or
2. as a result of Burglary from:
 - a) your private residence;
 - b) an authorised person's private residence, an authorised person's business premises (not being your own); or
 - c) a securely locked Motor Vehicle;

occurring within the Commonwealth of Australia during the Period of Insurance.

We do not insure you for those matters set out in the Specific Exclusions in Section 12.4 or the General Exclusions in Section 16.

12.3 Settlement

If you have a valid claim under Section 12, we will at our option pay for, reinstate, or repair the Property on the basis set out below.

Settlement basis

1. Property

For all Property we will Reinstatement the Property but only if:

- a) replacement, rebuilding, or repair is carried out within a reasonable time. This may be at another site providing our liability is not thereby increased;
- b) any repair costs do not exceed the Reinstatement costs had the Property been totally lost, destroyed, or damaged;
- c) a sum equal to the cost of Reinstatement has actually been incurred; and
- d) all other insurances in respect of the Property have the same Reinstatement wording;

otherwise we will Indemnify you.

2. Our Limit of Liability

Our liability is limited to the Sum Insured, less the stated Excess.

12.4 Specific exclusions

We do not insure you under Section 12 for any of the following circumstances.

Excluded circumstances

1. Jewellery

We will not pay for loss, destruction, or damage to jewellery, precious stones, precious metals, or bullion.

2. Furs or Leather

We will not pay for loss, destruction, or damage to furs or leather apparel.

3. Electronic Equipment

We will not pay for loss, destruction, or damage to computers and other electronic equipment.

4. Mobile Phones

We will not pay for loss, destruction, or damage to mobile phones.

Also refer to the [General Exclusions](#) in Section 16 which are applicable to Section 12.

Section 13

Multiple risks

13.1 Definitions

The intended meaning of some of the important words as used only in Section 13 are shown below.

Accidental Damage

Loss, destruction, or damage as a result of an accident that was neither expected nor intended by you.

Property

The property specified in the Certificate of Insurance as insured under Section 13.

Also refer to the [General Definitions which are applicable to Section 13](#).

13.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 13, we insure you against Accidental Damage occurring to the Property within the Commonwealth of Australia or New Zealand during the Period of Insurance.

We do not insure you for the matters set out in the Specific Exclusions in Section 13.4 or the General Exclusions in Section 16.

13.3 Settlement

If you have a valid claim under Section 13, we will at our option pay for, reinstate, or repair the Property on the basis set out below.

Settlement basis

1. Property

For all Property we will Reinstate the Property but only if:

- a) replacement, rebuilding, or repair is carried out within a reasonable time. This may be at another site providing our liability is not thereby increased;
- b) any repair costs do not exceed the Reinstatement costs had the Property been totally lost, destroyed, or damaged;
- c) a sum equal to the cost of Reinstatement has actually been incurred; and
- d) all other insurances in respect of the Property have the same Reinstatement wording;

otherwise we will Indemnify you.

2. Pairs or Sets

- a) If any item of Property consists of articles in a pair or set, we will not pay more than the proportionate value of the lost, destroyed, or damaged part or parts.
- b) No part or parts will be treated as having had any special value.

3. Our Limit of Liability

Our liability is limited to the Sum Insured, less the stated Excess.

13.4 Specific exclusions

We do not insure you under Section 13 for any of the following circumstances, other than to the extent indicated.

Excluded circumstances

1. Cleaning or Maintenance

We will not pay for loss, destruction, or damage caused directly or indirectly by the actual process of cleaning, dyeing, repairing, altering, restoring, renovating, modifying or maintaining the Property.

2. Wear, Tear, or Fragile Articles

We will not pay for loss, destruction, or damage caused directly or indirectly by wear, tear, fading, breakage of fragile articles, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good, want of lubrication or upkeep, or lack of proper maintenance of the Property, but we will pay for loss, destruction, or damage to any item of Property caused by or resulting from wear and tear to a clasp, setting, or other fastening, carrier, or container.

3. Birds, Insects, or Vermin

We will not pay for loss, destruction, or damage caused directly or indirectly by the action of birds, moths, termites or other insects, or vermin.

4. Rust, or Corrosion

We will not pay for loss, destruction, or damage caused directly or indirectly by rust or corrosion, mildew, mould, wet or dry rot, oxidation, contamination, disease, inherent vice or latent defect, adjusting or servicing operations.

5. Atmospheric Conditions

We will not pay for loss, destruction, or damage caused directly or indirectly by the action of light, shrinkage, evaporation, variation in temperature, or other atmospheric conditions.

6. Change of Condition

We will not pay for loss, destruction, or damage caused directly or indirectly by loss of weight, change in flavour, colour, texture, or finish of the Property.

7. Smoke, Chemicals, or Sand

We will not pay for loss, destruction, or damage caused directly or indirectly by smoke, smut, sludge, or chemicals from industrial or agricultural operations dust, sand, mud, or smog, but we will pay for sudden and unforeseen damage resulting therefrom.

8. Lenses, Mirrors, or Plates

We will not pay for scratching or breakage of lenses, mirrors, prisms, slides, or plates.

9. Clocks or Scientific Instruments

We will not pay for loss, destruction, or damage caused directly or indirectly by over winding, denting, or internal damage of clocks, watches, or scientific instruments.

10. Inventory or Shortages in Supply

We will not pay for unexplained inventory shortages or disappearance resulting from clerical or accounting errors, shortages in supply or delivery of materials or goods.

Section 14

Tax audit

14.1 Definitions

The intended meaning of some of the important words as used only in Section 14 are shown below.

Accountant

Your accountant named in the Proposal.

Audit

The conduct of a taxation audit by the Australian Taxation Office of your liability to pay a Designated Tax, including the amount of such tax.

Designated Tax

Any investigations relating to your liability to pay the following taxes - Income Tax, Fringe Benefits Tax, Capital Gains Tax, Wholesale and Sales Tax, Payroll Tax, Goods and Services Tax and Superannuation Contributions Tax.

Investigation

A detailed and in depth investigation by the Australian Taxation Office of your liability to pay a Designated Tax, including the amount of such tax.

Professional Fees

The fees and costs reasonably and necessarily incurred by you to your Accountant, Registered Tax Agent, or lawyer for work carried out in respect of the Audit or Investigation, but not including:

- a) your employees' salaries; or
- b) amounts paid to other outside professional persons or consultants, unless we have agreed to pay the amounts prior to appointment.

Registered Tax Agent

Your registered tax agent named in the Proposal.

Return

The documentation required to be lodged with the Australian Taxation Office as your annual income tax return.

Also refer to the [General Definitions which are applicable to Section 14.](#)

14.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 14, we insure you against

the cost of Professional Fees as a result of an:

1. Audit; or
2. Investigation;

occurring during the Period of Insurance within the Commonwealth of Australia.

We do not insure you for any of the matters set out in the Specific Exclusions in Section 14.4 and the General Exclusions in Section 16.

11. Dishonest Act

We will not pay for loss, destruction, or damage caused directly or indirectly by any fraudulent or dishonest acts by your employees.

12. Mechanical or Electrical Breakdown

We will not pay for loss, destruction, or damage caused directly or indirectly by mechanical, electrical or electronic breakdown, failure or derangement, but this exclusion is limited to the machine or equipment immediately or directly affected.

13. Magnetic Injury

We will not pay for loss, destruction, or damage caused directly or indirectly by electrical or magnetic injury, disturbance, or erasure of electronic recordings.

14. Data Processing

We will not pay for loss, destruction, or damage caused directly or indirectly by data processing or media failure or breakdown, or malfunction of the processing system.

15. Error in Design

We will not pay for loss, destruction, or damage caused directly or indirectly by failure of, error, or omission in design, plan, specification, or during testing.

16. Spontaneous Fermentation

We will not pay for loss, destruction, or damage caused directly or indirectly by the Property's own spontaneous fermentation or heating.

17. Unattended Vehicle

We will not pay for theft of Property whilst contained in an unattended and unlocked motor vehicle or caravan.

18. Money

We will not pay for loss, destruction, or damage to Money, securities of any kind, bonds, title deeds, documents, manuscripts, or business books.

19. Valves or Batteries

We will not pay for loss, destruction, or damage to valves, transistors, or batteries in radios, tape recorders, calculators and the like.

20. Pictures or Paintings

We will not pay for loss, destruction, or damage to any pictures or paintings through cracking.

21. Sporting Equipment

We will not pay for loss, destruction, or damage to sporting equipment while in use or course of play.

22. Breakage of Glass

We will not pay for breakage of glass.

23. Professional Entertaining

We will not pay for loss, destruction, or damage to musical instruments, equipment or apparatus if you are engaged in or in any way connected with any form of professional entertaining.

24. Computer Virus

We will not pay for loss, destruction, or damage caused by or arising from Computer Virus.

Also refer to the [General Exclusions in Section 16 which are applicable to Section 13.](#)

14.3 Settlement

If you have a valid claim under Section 14, we will pay the Professional Fees on the basis set out below.

Settlement basis

1. Professional Fees

We will pay for Professional Fees:

- a) from when notification of the Audit or Investigation is first received from the Australian Taxation Office; and
- b) until:
 - i. written advice from the Australian Taxation Office is given that the Audit or Investigation is completed;
 - ii. the issue, from the Australian Taxation Office, of an assessment or amended assessment of your tax liability following the Audit or Investigation; or
 - iii. 6 months after commencement of the Audit or Investigation;

whichever occurs first.

2. Our Limit of Liability

Our total liability during the Period of Insurance for all claims is limited to the Sum Insured, less the stated Excess.

14.4 Specific exclusions

We do not insure you under Section 14 for any claim in respect of, or arising from, or relating to any of the following circumstances.

Excluded circumstances

1. Self Employment, Company, or Business

We will not pay for any claim in respect of, or arising from, or relating to your self employment, company, or Business, unless specified as such in the Certificate of Insurance.

2. Preparation of Return

We will not pay for any claim in respect of any Audit or Investigation into any Return which was not prepared by your Accountant or Registered Tax Agent.

3. Routine Inquiries

We will not pay for routine inquiries from the Australian Taxation Office.

4. Fraud

We will not pay for any fraudulent act or omission committed by you, or on your behalf.

5. Fines or Penalties

We will not pay for any tax, penalty, levy, cost, interest, or fine.

6. Customs

We will not pay for any matters arising under any Customs' statute or regulation.

7. Previous Knowledge

We will not pay for any claim in respect of an Audit or Investigation, notice of which or information of the likelihood of such Audit or Investigation taking place, was received by you, or by any person acting on your behalf, prior to the Period of Insurance.

8. Outside the Commonwealth of Australia

We will not pay for any claim in respect of an Audit or Investigation concerning income sourced or earned outside the Commonwealth of Australia.

9. Documents

We will not pay for any claim in respect of, or arising from, or relating to any improper, unwarranted, or unjustified refusal or failure to comply with any request made by or on behalf of the Australian Taxation Office for the production of documents or the furnishing of information.

Also refer to the General Exclusions in Section 16 which are applicable to Section 14.

14.5 Specific conditions

If you elect to be insured under Section 14 of this policy, you must follow the Specific Conditions noted below otherwise we may deny any liability to pay any claim under Section 14.

1. Taxation Department Matters

- a) All Returns or other documentation required must be submitted within the prescribed time limits set by any relevant statute, regulation, or the Australian Taxation Office, unless you can demonstrate that any failure to comply was not the result of wilful delay.
- b) You must:
 - i. maintain proper records sufficient to enable complete and correct Returns to be compiled;
 - ii. make a full and complete disclosure of all income as required by any relevant legislation;
 - iii. deal with all correspondence, requests, and inquiries from the Australian Taxation Office within a reasonable time;
 - iv. pay all taxes by the due date or within any extension granted by the Australian Taxation Office; and
 - v. notify the Australian Taxation Office without delay upon you, or any person acting on your behalf, becoming aware of any error or deficiency in any information, Return, or other documentation furnished to them.

2. Professional Fees

All accounts for Professional Fees payable under Section 14 must be submitted to us immediately upon receipt.

3. Claims Procedures

You must:

- a) notify us in writing immediately of any circumstances which give rise or are likely to give rise to a claim;
- b) at all times keep us fully and continually informed of all material developments in relation to the claim and in relation to any Audit or Investigation;
- c) take all steps as are necessary and reasonable to minimise any delays and the amount of any fees or costs incurred or likely to be incurred in connection with any Audit or Investigation; and
- d) at our request, instruct your Accountant, Registered Tax Agent, lawyer, or any other person or organisation, to produce to us without delay any documents, information, or advice in your possession which we may require in connection with any claim.

4. Investigation

We may make our own investigation into any matter which is or may be the subject of a claim under Section 14.

5. Authority for Inquiry

You must allow us to make inquiries directly with the Australian Taxation Office as to any matter which is or may be the subject of a claim under Section 14.

6. Access to your Accountant and Others

You must:

- a) allow us to have direct access to your Accountant, Registered Tax Agent, lawyer, or any other person or organisation as to any matter which is or may be the subject of a claim under Section 14; and
- b) co-operate fully with us.

Also refer to the General Conditions in Section 17.

Section 15

Domestic house and contents

15.1 Definitions

The intended meaning of some of the important words as used only in Section 15 are shown below.

Contents

Any of the following items owned by you, or by a member of your family ordinarily residing with you, or for which you are legally responsible and while in the Home Building or at the Premises:

- a) furniture and furnishings;
 - b) floor rugs, carpets, and vinyls, whether fixed or unfixed;
 - c) household goods and garden equipment;
 - d) clothing, personal belongings, sporting, recreational and hobby equipment;
 - e) curtains and internal blinds;
 - f) above ground swimming pools, spas, and saunas that are not permanently fixed;
 - g) accessories or spare parts to a Motor Vehicle, aircraft, or Watercraft but only while not attached to a Motor Vehicle, aircraft, or Watercraft;
 - h) money, negotiable instruments, or bullion;
 - i) property used in connection with your Business or occupation carried on in a surgery or office in the Home Building;
 - j) equipment or tools used in a business or occupation;
 - k) pictures, works of art, curios, documents, furs, musical instruments, watches, jewellery, unset precious stones, gold, and silver articles, and collections of any kind;
 - l) audio and video recordings including CDs and laser discs;
 - m) computers and associated equipment including printers, scanners, and software;
 - n) specified items which are separately specified in the Certificate of Insurance; and
 - o) if you are a tenant in the Home Building, fixtures that are not landlord's fixtures;
- but not including:
- p) any item included under the definition of Home Building in Section 15.1;
 - q) landscaping, trees, plants, or shrubs in the ground;
 - r) birds, animals, or fish; or
 - s) Motor Vehicles, aircraft, or Watercraft including accessories attached to them.

Home Building

The buildings at the Premises used principally and primarily as a place of residence including:

- a) offices and surgeries;
 - b) outbuildings, fixtures, and structural improvements used for domestic purposes;
 - c) services, whether underground or not, for which you are legally responsible;
 - d) retaining walls, fences, and gates;
 - e) cemented, bitumen, or asphalted paths or driveways, terraces, wells, bores and pergolas;
 - f) permanently fixed spas, saunas, barbecues, clothes lines, room heaters, stoves, air conditioners, fans, light fittings, hot water services, in ground swimming pools, water tanks, and stands;
 - g) exterior blinds and awnings;
 - h) built in furniture;
 - i) meter boxes, television aerials, radio aerials and their masts and fittings; and
 - j) fixed wall, ceiling, and floor coverings;
- but not including:
- k) carpets, vinyls, or floor rugs whether fixed or not;
 - l) trees, plants, shrubs, or landscaping;
 - m) a building used as a hotel, motel, or boarding house;
 - n) a building that is in the course of construction;
 - o) a temporary building or structure; or
 - p) a caravan, whether fixed to the Premises or not.

Motor Vehicle

A vehicle powered by other than animal power that is designed to travel by road, track, or cross country, including a trailer or caravan.

Open Air

Any place within:

- a) the Premises that are not within an entirely walled and roofed building capable of being locked; or
- b) any Motor Vehicle or Watercraft at the Premises whether locked or not.

Premises

The land specified in the Certificate of Insurance on which the Home Building or Contents are situated, including your road verge and street lawns.

Watercraft

Any vessel, craft, or thing made or intended to float on, or in, or travel through water, including a hovercraft but not including:

- a) a surfboard less than 3 metres in length;
- b) a surf mat;
- c) water skis; or
- d) a permanently moored pontoon.

Also refer to the General Definitions which are applicable to Section 15.

15.2 Defined events

If your Certificate of Insurance indicates that you have taken out insurance under Section 15, we insure you against loss, destruction, or damage occurring to the Home Building or Contents by one or more of the Defined Events listed below during the Period of Insurance except as stated under We Will Not Pay.

Defined Event	We Will Not Pay Refer also to the Specific Exclusions in Section 15.5 and the General Exclusions in Section 16
1. Fire or Explosion	We will not pay for loss, destruction, or damage: <ol style="list-style-type: none"> a) where the Home Building is unoccupied at the time of the loss, destruction, or damage and had been unoccupied for a continuous period of 90 days or more; b) to the Property, where the Property is undergoing any process involving the application of heat; or c) caused by the Property's own spontaneous combustion.
2. Lightning or Thunderbolt	We will not pay for loss, destruction, or damage unless caused by a direct strike to the Premises or their immediate vicinity.
3. Earthquake, including volcanic eruption	We will not pay the first \$1,000 for loss, destruction, or damage to the Home Building or Contents occurring during any period of 48 consecutive hours.
4. Storm or Rainwater	We will not pay: <ol style="list-style-type: none"> a) more than \$1,000 for loss, destruction, or damage to Contents while in the Open Air; b) for loss, destruction, or damage caused by: <ol style="list-style-type: none"> i. water entering through any opening not made by the storm, except water entering from the overflowing of a road drain, street gutter, or other drainage system external to the Premises; ii. water or wind entering the Home Building as a result of structural defects, faulty design, faulty workmanship, or lack of proper maintenance to the Home Building; iii. water or wind entering the Home Building through an open window or door; iv. action of the sea or high water; v. erosion, landslide, subsidence, or any earth movement; or c) for loss, destruction, or damage to glasshouses.

5. Malicious Acts	We will not pay for loss, destruction, or damage: a) caused by a tenant, a boarder, a person usually living in the Home Building or a person lawfully at the Premises; or b) where the Home Building is unoccupied at the time of the loss, destruction, or damage and had been unoccupied for a continuous period of 90 days or more.
6. Theft, Burglary, or Housebreaking (actual or attempted)	a) We will not pay more than: i. \$1,000 for theft of Contents while in the Open Air; or ii. \$250 for theft or \$500 for burglary/housebreaking, of money, negotiable instruments, or bullion. b) We will not pay for loss, destruction, or damage: i. caused by a tenant, a boarder, a person usually living in the Home Building or a person lawfully at the Premises; or ii. where the Home Building is unoccupied at the time of the loss, destruction, or damage and had been unoccupied for a continuous period of 90 days or more.
7. Escape of Liquid as a result of bursting, leaking, discharging, or overflowing of fixed domestic apparatus, tanks, or pipes	We will not pay for loss, destruction, or damage: a) to the fixed domestic apparatus, tank, or pipe itself; or b) caused by the escape of water from any shower alcove or recess.
8. Riot and Civil Commotion	
9. Impact by animals	We will not pay for loss, destruction, or damage caused by an animal kept at the Premises.
10. Impact by a falling tree or branch, or mast or aerial	We will not pay for: a) loss, destruction, or damage caused: i. by felling or lopping trees by you or for you; or ii. to the mast or aerial; or b) the cost of removing the tree or part of the tree, except those parts needing to be removed in order to repair the loss, destruction, or damage.
11. Impact by: a) Motor Vehicle or Watercraft; b) aircraft or debris falling from an aircraft, rocket, or satellite; or c) space debris	

12. Breakage of fixed glass, ceramic cooktop, shower base, spa, bath, basin, sink, toilet, or cistern	a) We will not pay for loss, destruction, or damage: i. caused to glass forming part of a glasshouse; ii. where the breakage does not extend through the entire thickness of the item damaged; iii. to glass in radios, clocks, television sets, computers, or picture frames; iv. to glass or mirrors ordinarily carried by hand; v. to vases, ornaments, or table lamps; or vi. where the Home Building is unoccupied at the time of the loss, destruction, or damage and had been unoccupied for a continuous period of 90 days or more. b) We will not pay for chipping, scratching, or breaking of china, marble, composite material, or earthenware.
13. Fusion, being the burning out by electric current of a motor in an electrical machine or apparatus forming part of the Home Building or Contents	We will not pay for loss, destruction, or damage: a) to mechanical parts including bearings, brushes, or switches of any description; b) to lighting or heating elements, fuses, or protective devices; or c) caused by other mechanical, electrical, or electronic breakdown, malfunction or failure.

15.3 Settlement

If you have a valid claim under Section 15, we will pay for, or at our option and as far as circumstances permit and in a reasonably sufficient manner reinstate, replace, or repair the Home Building or Contents, on the basis set out below.

Settlement basis

1. General Home Building

We will Reinstate the Home Building following loss, destruction, or damage.

2. General Contents

We will Reinstate the Contents following loss, destruction, or damage.

3. Fusion

We will pay for the repair of the item but you must pay a contribution towards the cost of parts and materials for repair of the electrical motor in accordance with the following scale:

- a) Property under 3 years from new: Nil
- b) Property 3 years old: 20% plus for each year after the 3 years: 10% up to a maximum contribution of: 70%

4. Floor Coverings or Curtains

For fixed wall, ceiling, or floor coverings or carpets, internal blinds or curtains, we will only pay for repairing or replacing the item, in the room in which the loss, destruction, or damage occurred.

5. Escape of Liquids

We will pay:

- a) for damage to the Home Building and Contents; and
- b) the reasonable and necessary cost incurred in locating the source of the damage in the Home Building including rectification of paths or driveways, immediately surrounding and adjoining the Home Building, if damaged while locating the cause.

6. Sets or Pairs of Items

Where you make a claim in relation to an item which forms part of a pair, suite, or set:

- a) we will pay the value of that one item; and
- b) we will not compensate you for a reduction in the value of the pair, suite, or set.

7. Accessories or Spare Parts

We will pay up to \$250 in total for loss, destruction, or damage to accessories or spare parts to a Motor Vehicle, aircraft, or Watercraft while at the Premises but not while attached to a Motor Vehicle, aircraft or Watercraft.

8. Money, Bullion, or Negotiable Instruments

We will pay up to \$500 in total for loss, destruction, or damage to money, negotiable instruments or bullion, except where the loss, destruction, or damage is caused by theft when we will pay up to \$250.

9. Surgery or Office

We will pay up to \$5,000 in total for Contents owned by you and used in connection with your business or occupation carried on in a surgery or office in the Home Building but only if the loss, destruction, or damage occurred at the Premises.

10. Equipment or Tools

We will pay up to \$750 in total for equipment or tools at the Premises and used in a business or occupation other than a business or occupation carried on in the Home Building.

11. Works of Art, Jewellery, or Collections of any kind

We will pay up to:

- a) \$1,000 per item; or
- b) \$5,000 in total for all items;

whichever is the lesser, for loss, destruction, or damage to pictures, works of art, curios, documents, furs, musical instruments, watches, jewellery, unset precious stones, gold or silver articles, or coin, stamp or other collections of any kind, unless separately specified in the Certificate of Insurance.

12. Audio or Video Recordings

We will pay up to \$1,000 in total for loss, destruction, or damage to audio or video recordings including CDs and laser discs, unless separately specified in the Certificate of Insurance.

13. Computers

We will pay up to \$5,000 in total for loss, destruction, or damage to computers and associated equipment including printers, scanners, and software, unless separately specified in the Certificate of Insurance.

14. Unavailability of Materials or Parts

We will match the existing materials or parts, however if the exact materials or parts are not available locally:

- a) we will not pay for:
 - i. any increased cost you may incur; or
 - ii. any freight where materials or parts are imported into Australia; and
- b) we will pay the last known cost of the existing materials or parts.

15. Cash Settlement

- a) If we elect to cash settle for any item, we will pay the amount it will cost us to repair or replace that item.
- b) If you do not want us to repair or replace an item, we will cash settle for the amount you would have received for that item from a licensed second hand dealer.

16. Our Limit of Liability

Our liability is limited to the Sum Insured, less the stated Excess.

17. Automatic Reinstatement of the Sum Insured

If we agree to pay you for loss under Section 15, we will reinstate your Domestic House and Contents Sum Insured. You do not have to pay any extra Premium for the remainder of the Period of Insurance for Section 15.

18. Underinsurance

- a) If your Property is insured for less than 80% of its Reinstatement value at the time the insurance under Section 15 was taken out, renewed, extended, or varied we will only pay that portion of the claim which the Sum Insured bears to 80% of that value, in accordance with the formula:

$$\frac{\text{Sum Insured}}{80\% \text{ of the value of the Property}} \times \text{the amount of the loss, destruction, or damage}$$

Example:

Where the Property is valued at \$200,000 but only insured for \$100,000 and a loss of \$50,000 occurs, we will pay:

$$\frac{\$100,000}{(80\% \text{ of } \$200,000)} \times \$50,000 = \$31,250$$

We will not pay \$18,750.

- b) This Section 15.3(18) does not apply if the loss is less than 10% of the Sum Insured at the Premises.

15.4 Additional benefits

1. If you have a valid claim under Section 15 for loss, destruction, or damage to the Home Building, we will also insure you for the following Additional Benefits. You must obtain our written consent prior to any of the costs being incurred.

Limits to Additional Benefit, not in addition to Sum Insured unless otherwise stated

a) Professional Fees

We will pay for the cost of architects, consultants, or surveyors engaged in relation to the repair or replacement of the Home Building.

b) Mortgage Discharge

We will pay all costs associated with the discharge of a mortgage following settlement of a claim for total loss.

2. If you are insured under Section 15 for loss, destruction, or damage to the Home Building, we will extend your insurance to include the following Additional Benefit.

Limits to Additional Benefit, not in addition to Sum Insured unless otherwise stated

a) Landlord's Fixtures and Fittings

We will pay up to 10% of the Home Building Sum Insured or \$10,000, whichever is the lesser, for loss, destruction, or damage to your fixtures, fittings, furnishings, or carpets which are in your Home Building for use by your tenants.

3. If you are insured under Section 15 for loss, destruction or damage to Contents, we will extend your insurance to include the following Additional Benefits. You must obtain our written contents prior to any of the costs being incurred.

Limits to Additional Benefit, not in addition to Sum Insured unless otherwise stated.

a) Refrigerated Foods

We will pay up to a total of \$1,000 for the cost of replacing refrigerated foods which have become inedible as a consequence of mechanical or electrical breakdown of the refrigerator or freezer unit.

b) Credit Cards

We will pay up to a total of \$5,000 in total for all losses you incur, in the Period of Insurance, as a result of the unauthorised use of a credit card issued to you provided that:

- i. you complied with all the conditions that apply in relation to each credit card; and
- ii. the unauthorised use was not by a member of your family or by a person ordinarily residing with you.

c) Non-paying Visitors' and Guests' Contents

- i. We will pay, irrespective of the number of visitors or guests, up to a total of \$5,000 in addition to the Sum Insured for uninsured visitors' and guests' contents, other than money while in the Home Building.
- ii. We will not pay for contents belonging to paying guests.

d) Contents while Temporarily Removed

- i. We will pay up to 20% of the Sum Insured on Contents, for loss, destruction, or damage to your Contents occurring as a result of a Defined Event in Section 15.2, while temporarily removed from the Premises to anywhere in the Commonwealth of Australia for a period of up to 90 days.
- ii. We will not pay for:
 - (A) loss, destruction, or damage while in transit, in commercial storage, within any furniture store or salesroom, or removed permanently to your Premises unless we have agreed to cover them in writing; or
 - (B) theft, unless the theft results from violent and forcible entry into a building.

e) Students' Contents

- i. We will pay up to \$5,000 any one event, unless separately specified in the Certificate of Insurance, for loss, destruction or damage to Contents occurring as a result of a Defined Event in Section 15.2:

(A) belonging to your children who ordinarily reside with you but are currently attending boarding school, college, or university on a full-time basis, and

(B) while the students' Contents are located in their living area being in a residential area of a boarding school, college, or university.

- ii. We will not pay for theft, unless the theft results from violent and forcible entry into a building.

f) Trees, Plants, or Shrubs

We will pay up to \$300 for any one item up to a maximum of \$1,000 during the Period of Insurance for trees, plants, or shrubs lost, destroyed, or damaged as a result of:

- i. Fire or Explosion in Section 15.2(1); or
- ii. Theft, Burglary, or Housebreaking in Section 15.2(6).

g) Contents in Commercial Storage

i. We will pay up to the amount specified in your Certificate of Insurance for loss, destruction or damage to your Contents, occurring as a result of a Defined Event in Section 15.2, whilst they are in a commercial storage facility within Australia, provided that:

(A) you tell us beforehand that your contents will be in a commercial storage facility; and

(B) we have agreed to cover them in writing.

- ii. We will not pay for jewellery, unset precious stones, money, negotiable instruments, or bullion.

h) Contents in Transit

i. We will pay up to \$10,000 for loss, destruction, or damage to Contents whilst being transported by a vehicle to your Premises, or to a commercial storage facility within Australia, provided that the loss, destruction, or damage occurs as a result of:

(A) theft following violent and forcible entry into; or

(B) fire, collision or overturning;

of the vehicle that is transporting your Contents.

- ii. We will not pay for loss, destruction, or damage to any glassware, crystal, crockery, mirrors or china, or any damage to other Contents caused by denting, scratching, chipping or bruising.

4. If you have a valid claim under Section 15 for loss, destruction, or damage to the Home Building or Contents, we will also insure you for the following Additional Benefits. You must obtain our written consent prior to any of the costs being incurred.

Limits to Additional Benefit, not in addition to Sum Insured unless otherwise stated

a) Emergency Accommodation and Loss of Rent

If the Home Building becomes unfit to live in, in addition to the Sum Insured, we will pay the necessary and reasonable cost:

- i. of the rental value of the Home Building for a period which is reasonably required to repair, rebuild, or replace the Home Building up to a maximum of 12 months; or
 - ii. to a maximum of 15% of the Sum Insured on:
 - (A) the Home Building for loss of rent, if you had a tenant in the Home Building; or
 - (B) the Home Building plus Contents, for emergency accommodation, if you lived in the Home Building;
 whichever of (i) and (ii) is the lesser.
- b) Extra Costs
- We will pay for the reasonable incurred cost of temporary protection, demolition, and the removal and disposal of debris.
- c) Replacing Locks or Barrels
- We will pay up to a total of \$1,000 for the cost of recoding and if necessary, replacing locks or barrels if the keys to external door or window locks are stolen.
- d) Funeral Expenses
- i. We will pay up to a total of \$10,000, in addition to the Sum Insured for funeral expenses in the event you or a member of your family dies, and the death occurred:
 - (A) as a direct result of a Defined Event in Section 15.2;
 - (B) at your Premises; and
 - (C) within 12 months of the incident.
 - ii. You must provide us with a certified copy of the death certificate and any other evidence to support the claim.
- We will not apply any excess for a claim for Funeral Expenses only.
5. If you are insured under Section 15, we will extend your insurance to include all sums which you become legally liable to pay as compensation in respect of death, bodily injury, or property damage as a result of an accident occurring at the Premises, if the Home Building is insured, or anywhere in the Commonwealth of Australia, if Contents are insured, during the Period of Insurance.
- Limits to Additional Benefit, not in addition to Sum Insured unless otherwise stated
- Legal Liability
- a) We will pay up to \$20,000,000 in respect of any one accident, including any number of related accidents from a single underlying cause or from a combination of related accidents in close sequence for:
 - i. all claims made against you arising from that accident; and
 - ii. all legal costs and expenses incurred by you with our written consent or recoverable from you by a claimant.
 - b) We will not pay for any liability caused by, arising out of, or in connection with:
 - i. the ownership or control of a building or land other than at the Premises or a building hired for no longer than 24 hours solely to hold a personal, private, or family function;
 - ii. the use, control, or ownership of aircraft, or Watercraft, except models;
 - iii. vibration to, removal of, or interference with the support to land, buildings, or other property;
 - iv. any contract or agreement;
 - v. any profession, occupation, or business other than as landlord of the Home Building;
 - vi. any activities associated with hobby farming;
 - vii. property in your custody or control, except where the legal liability results from fire or, explosion of, or escape of liquid from the Home Building which is in your custody or control as a tenant or lessee;
 - viii. bodily injury resulting from a contagious, infectious, or communicable disease;
 - ix. the loading or unloading, use or ownership of Motor Vehicles, other than models, garden appliances, motorised wheelchairs, or golf buggies that do not require to be registered;
 - x. libel, slander, or defamation;
 - xi. asbestos;
 - xii. water skiing;
 - xiii. the seepage, discharge, dispersal, emission, release, or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, waste materials or other irritants, contaminants, or pollutants into or upon land, the atmosphere or any watercourse or body of water or the cost of removing, nullifying or cleaning up any such seepage, discharge, dispersal, emission, release, or escape; or
 - xiv. you providing or permitting the consumption of drugs of any kind.
 - c) We will not pay for:
 - i. legal liability to any member of your family or to any person who usually lives with you or with whom you usually live;
 - ii. legal liability to any person you employ under a contract of service or contract for services;
 - iii. legal liability in respect of which you are, or any other person is, required by any law to have in force at the time such liability is incurred, a policy of insurance;
 - iv. fines or penalties;
 - v. punitive, exemplary, or aggravated damages; or
 - vi. legal liability arising directly or indirectly out of or caused by fire which escapes after being lit by you or any person on your behalf in contravention of the provisions of any law, bylaw or regulation of any government or local government body.

15.5 Specific exclusions

We do not insure you under Section 15 for the following circumstances.

Excluded circumstances

1. Wear and Tear

We will not pay for loss, destruction, damage, or the incurring of a liability caused directly or indirectly by gradual deterioration, wear, tear, depreciation, rust, corrosion, wet rot, dry rot, mould, or mildew.

2. Defective Work or Material

We will not pay for loss, destruction, damage, or the incurring of a liability caused directly or indirectly by defective work or materials.

3. Error in Design

We will not pay for loss, destruction, damage, or the incurring of a liability caused directly or indirectly by fault, defect, error, or omission in design, plan, or specification.

4. Insects, Vermin, or Birds

We will not pay for loss, destruction, damage, or the incurring of a liability caused directly or indirectly by insects, vermin, or birds.

5. Alterations or Repairs

We will not pay for loss, destruction, damage, or the incurring of a liability caused directly or indirectly by alterations, additions, or repairs to the Home Building valued at more than \$20,000 at the time of commencement of such work.

6. Lawful Seizure

We will not pay for loss, destruction, damage, or the incurring of a liability caused directly or indirectly by the lawful seizure, confiscation, nationalisation, or requisition of the Property.

7. Flood

We will not pay for loss, destruction, or damage caused directly or indirectly by Flood.

Also refer to the General Exclusions in Section 16 which are applicable to Section 15.

15.6 Specific conditions

If you elect to be insured under Section 15 of this policy, you must follow the specific conditions noted below otherwise we may deny any liability to pay any claim under Section 15.

1. Unoccupancy

You must advise us prior to leaving the Home Building unoccupied for a period of 90 days or more.

Also refer to the General Conditions in Section 17.

15.7 Optional covers

If selected by you and specified in the Certificate of Insurance, the Optional Covers as indicated below will apply.

Details of cover

1. Accidental Damage

- a) We insure you against the Property being unintentionally and unexpectedly lost, destroyed, or damaged during the Period of Insurance by the additional Defined Event - Accidental Damage.
- b) We will not pay for loss, destruction, or damage caused by or resulting from:
 - i. alterations, additions, or repairs to the Home Building;
 - ii. atmospheric or climatic conditions;
 - iii. the action of light;
 - iv. shrinkage;
 - v. contamination;
 - vi. inherent vice or latent defect;
 - vii. adjusting, servicing, or repairing operations;
 - viii. scratching or marring;
 - ix. incorrect siting of the Home Building;
 - x. settling, seepage, creeping, heaving, vibration, shrinkage, or expansion of the Home Building;
 - xi. mechanical, electrical, or electronic breakdown, failure, or malfunction;
 - xii. Computer Virus;
 - xiii. any process of cleaning involving the application of chemicals;
 - xiv. explosion or bursting of firearm barrels;
 - xv. the actions of domestic pets;
 - xvi. developing flaws;
 - xvii. fraudulent or dishonest acts;
 - xviii. smoke, smut, sludge, or chemicals from industrial or agricultural operations except for sudden and unforeseen damage resulting therefrom;
 - xix. dust, sand, mud, or smog except for sudden and unforeseen damage resulting therefrom; or
 - xx. any of the Defined Events in Section 15.2 and the Additional Benefits in 15.4.
- c) We will not pay for loss, destruction, or damage to:
 - i. sporting equipment whilst in use;
 - ii. data media;
 - iii. any Property in the Open Air;
 - iv. money, negotiable instruments, or bullion;
 - v. contact lenses, spectacles, or sunglasses; or
 - vi. hearing aids or dentures.

2. Unspecified Personal Property

- a) We will pay up to the amount specified in the Certificate of Insurance for loss, destruction, or damage, occurring anywhere in the Commonwealth of Australia during the Period of Insurance, to:

- i. jewellery, watches, gold, and silver articles;
 - ii. television sets, video and audio equipment including CD and DVD players and recorders;
 - iii. pocket calculators;
 - iv. photographic equipment, movie or video cameras, projectors, binoculars, telescopes, or microscopes;
 - v. sporting equipment while not in use;
 - vi. pictures, paintings, and prints;
 - vii. furs; or
 - viii. personal effects being items of clothing and personal belongings normally worn or carried by people but not including sporting equipment, guns, goods used for your business or trade, personal money, or credit cards.
- b) If you have a valid claim, we will, at our option, either repair or replace the Property, or pay up to:
- i. the amount it will cost us to repair or replace the Property; or
 - ii. the amount specified in the Certificate of Insurance for that Property;
- whichever is the lesser.
- c) Our liability is limited to the Sum Insured, less the stated Excess.
- d) Where you make a claim in relation to an item which forms part of a pair, suite or set, we will:
- i. pay the value of that one item; and
 - ii. not compensate you for a reduction in the value of the pair, suite or set.
- e) We will not pay for loss, destruction, or damage arising from or in connection with:
- i. any process of cleaning, repairing, restoring or renovating the Property;
 - ii. the action of light or atmospheric conditions;
 - iii. mechanical, electrical, or electronic breakdown, malfunction or failure; or
 - iv. cracking, scratching, or breaking of china, marble, plastics, earthenware, or glass other than lenses.
- f) We will not pay for loss, destruction, or damage to:
- i. Motor Vehicles, aircraft, or Watercraft, or their accessories;
 - ii. fishing equipment, firearms, sporting equipment, or musical instruments while they are actually being used;
 - iii. photographic film, audio, video cassettes, tapes, CDs and DVDs;
 - iv. spectacles, contact or corneal lenses, resulting from you engaging in any form of body contact sport, swimming, or any water-related activity;
 - v. camping equipment and accessories, unless caused by fire, explosion, lightning, theft, or storm.

3. Specified Personal Property

- a) We will pay up to the amount specified in the Certificate of Insurance for loss, destruction, or damage, occurring anywhere in the Commonwealth of Australia during the Period of Insurance, to personal property specified in the Certificate of Insurance.
- b) If you have a valid claim, we will, at our option, either repair or replace the Property, or pay up to:
- i. the amount it will cost us to repair or replace the Property; or
 - ii. the amount specified in the Certificate of Insurance for that Property; whichever is the lesser.
- c) Our liability is limited to the Sum Insured, less the stated Excess.

Section 16

General exclusions

We do not insure you under this policy in the following circumstances.

Excluded circumstances

1. Warlike Activities or Nuclear Material

We will not pay for loss, destruction, damage, Injury, Illness, or the incurring of a liability directly or indirectly caused by, or contributed to, or in consequence of:

- a) war, invasion, acts of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, nationalism, requisition or destruction of, or damage to property by or under the order of any government, public, or local authority or looting, sacking, or pillage following any of the above;
- b) nuclear weapons material; or
- c) ionising radiations, contamination, radioactivity from any nuclear fuel or nuclear waste, or from the combustion of nuclear fuel, or from any self sustaining process of nuclear fission.

2. Consequential Loss

We will not pay for any loss, destruction, damage, or liability directly or indirectly caused by, or contributed to by consequential loss of any description to the Business.

3. Fraudulent Claims

We will not pay if you, or anyone acting on your behalf or with your knowledge or connivance, should make a claim knowing or reasonably suspecting the same to be false or fraudulent. Making a fraudulent claim is a criminal offence. We may report to the police any person who lodges a fraudulent claim.

4. Intentional Act

We will not pay a claim if you, or someone else with your knowledge, deliberately caused any part of the loss, destruction, damage, or liability.

5. Terrorism

We will not pay for loss, destruction, damage, cost, expense, Injury, Illness or the incurring of a liability directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any act of terrorism, as defined herein, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

An act of terrorism includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- a) involves violence against one or more persons; or
- b) involves damage to property; or

- c) endangers life other than that of the person committing the action; or
- d) creates a risk to health or safety of the public or a section of the public; or
- e) is designed to interfere with or disrupt an electronic system.

We will also not pay for loss, destruction, damage, cost, expense, or the incurring of a liability directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any action in controlling, preventing, suppressing, retaliating against, or responding to any act of terrorism.

6. Electronic Data

“Electronic Data” means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation, or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software, and other coded instructions for such equipment.

We will not pay for any claim under this policy directly or indirectly arising from or in any way connected with:

- a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation, or misappropriation of Electronic Data;
- b) any error in creating, amending, entering, deleting or using Electronic Data; or
- c) total or partial inability or failure to receive, send, access, or use Electronic Data for any time or at all;

arising from any cause whatsoever, regardless of any other contributing cause or event whenever it may occur, other than arising solely from:

- d) fire;
- e) lightning;
- f) explosion;
- g) earthquake, subterranean fire, or volcanic eruption;
- h) escape of liquid as a result of bursting, leaking, discharging, or overflowing of pipes, tanks, fixed room heating or water apparatus;
- i) impact by trees, watercraft, or aircraft and other aerial devices;
- j) impact by vehicles or animals;
- k) storm or rainwater; or
- l) burglary or theft of the computer hardware, firmware, medium, microchip, integrated circuit or similar device containing the Electronic Data.

7. Year 2000

In this General Exclusion:

“Electronic Equipment” means any device, equipment, machine, medium, system (whether computer or otherwise and including any embedded system), hardware, firmware, software, or any part or component of any of the foregoing (including any circuit, processor, or chip).

“Year 2000 Conformity” means that the performance, operation or functionality (including but not limited to the ability to create, recognise, process, calculate, manipulate, retain, deal with, or store data) is not in any way adversely affected or prejudiced by the manner in which any date or any year before, during or after the year 2000 is described, interpreted, or recognised (including but not limited to the recognition of any date as its true calendar date or any period of time as its true period of time).

“Consequential Loss” means loss resulting from the interruption to or interference with the business.

- a) We will not pay for any claim under Sections 6 or 8 directly or indirectly arising from or in any way connected with the failure or inability of any Electronic Equipment to meet Year 2000 Conformity.
- b) i. We will not pay any claim under Sections 1 or 2 directly or indirectly arising from or in any way connected with the failure or inability of any Electronic Equipment to meet Year 2000 Conformity.
- ii. Notwithstanding the provisions of paragraph (b) (i), we will pay for a claim for:
 - (A) subsequent loss, destruction, or damage under Section 1; and
 - (B) Consequential Loss under Section 2; not otherwise excluded, caused by:
 - 1. fire;
 - 2. explosion;
 - 3. escape of liquid as a result of bursting, leaking, discharging, or overflowing of pipes, tanks, fixed room heating, or water apparatus; or
 - 4. impact by vehicle, aircraft or watercraft;

provided that we will not pay for such Consequential Loss where it results from any continuing failure or inability of any Electronic Equipment to meet Year 2000 Conformity after the lost, destroyed or damaged Property is repaired or replaced.

- c) i. We will not pay for any claim under Section 9 directly or indirectly arising from or in any way connected with the failure or inability of any Electronic Equipment to meet Year 2000 Conformity.
- ii. Notwithstanding the provisions of paragraph (c) (i), we will pay for a subsequent loss, destruction, or damage not otherwise excluded, caused by:
 - (A) fire;
 - (B) explosion;
 - (C) escape of liquid as a result of bursting, leaking, discharging, or overflowing of pipes, tanks, fixed room heating or water apparatus;
 - (D) impact by vehicle, aircraft, or watercraft; or
 - (E) burglary or theft.

8. Bushfire/Cyclone

We will not provide any cover, for a period of 48 hours from the time of the commencement of your insurance, for damage or loss caused by:

- a) bushfire or grassfire; or
- b) a named cyclone.

This Exclusion does not apply, however, if this insurance commences directly after:

- c) another insurance policy covering the same property expired, without a break in cover;
- d) you have entered into a contract of sale to purchase the property; or
- e) you have entered into a contract to lease the property.

9. Computer Viruses, Attacks by Hackers, Data Manipulation or Operational Errors

We will not pay for loss, destruction, damage, cost, expense, injury, illness, or the incurring of a liability directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with:

- a) Computer Viruses;
- b) attacks by hackers;
- c) data manipulation by third parties; or
- d) any operational errors.

Also refer to Specific Exclusions in each Section which are applicable to this policy.

Section 17

General conditions

The General Conditions set out below apply to all the Sections of this policy. You must comply with all these General Conditions otherwise we may be entitled to refuse to pay a claim, or to reduce the amount you are entitled to receive.

Refer also to the Specific Conditions in each Section of this policy.

1. Claim Procedures

If something happens which gives rise or may give rise to a claim under this policy:

a) you must:

- i. notify us as soon as possible giving full particulars of the facts and circumstances, including loss, damage, injuries, illness, or notice of a claim against you, and details of any proceedings instituted against you;
- ii. take all reasonable precautions to prevent or minimise further loss, damage, or liability;
- iii. take all reasonable steps to recover any lost or stolen Property;
- iv. immediately notify the police in the event of a burglary or if any Property is stolen, lost, or maliciously damaged;
- v. supply us with details of any other insurances which insure or may insure the event;
- vi. provide all reasonable information and assistance as we may require; and
- vii. use your best endeavours to preserve any damaged or defective property, or other property which might provide evidence in connection with any claim;

b) you must not:

- i. admit liability for any event, loss, damage, or injury or settle or attempt to settle or defend any claim without our written consent; or
- ii. alter or repair any building, appliance, plant, or thing until we have had the opportunity of an inspection, unless such alteration or repair is necessary for safety reasons;

c) you are not entitled to abandon any Property to us;

d) we will have full discretion in the conduct of any negotiations and the settlement of any claims;

e) after payment for or replacement of any Property (other than a Building) lost or damaged, the Property so lost or damaged becomes ours subject to your right to reclaim it on repayment to us of the amount paid by us in respect of such Property; and

f) more specific claims procedures are noted under Specific Conditions in:

- i. Broadform Liability in Section 6.6;
- ii. Personal Accident and Illness in Section 7.6;
- iii. Machinery in Section 8.6;
- iv. Electronic Equipment in Section 9.6;
- v. Fraud or Dishonesty in Section 11.6;
- vi. Tax Audit in Section 14.5; and
- vii. Domestic House and Contents in Section 15.6.

2. Alteration of Risk

a) You must immediately notify us in writing of any changes you know of which materially alter any of the facts or circumstances that existed at the commencement of this policy.

b) Until:

- i. we agree in writing to the terms of insurance of the altered risk; and
 - ii. you pay any additional Premium requested by us;
- we will not be liable for any loss, destruction, or damage caused by or attributable to such alteration.

3. Reasonable Care

You must at all times take reasonable care:

a) for the safety of the Property;

b) to ensure that only competent employees are employed;

c) to maintain the Premises, structures, fittings, fixtures, furnishings, appliances, machinery, implements, plant, and Property in sound condition;

d) to prevent personal injury or damage to property;

e) to comply with all statutory obligations, bylaws, and regulations imposed by any public authority; and

f) to prevent injury or damage to property due to manufacture, sale, or supply of defective goods.

4. Joint Insureds

Where you comprise more than one party:

a) the Proposal is deemed to have been furnished by and on behalf of all parties, and any information supplied to us, or any omission or non-disclosure in relation to any renewal or extension is likewise deemed to have been furnished, omitted, or withheld, (as the case may be) on behalf of all parties; and

b) if one or more of you (or persons acting on behalf of, or with the knowledge or connivance of, one or more of you) should engage in a deliberate act which results in loss, destruction, or damage to the Property, we will not pay any claims at all arising out of such loss, destruction, or damage, whether those claims are brought by the party or parties which engage in the deliberate act or by anyone else.

5. Unoccupancy

Cover under this policy (except for Domestic House and Contents under Section 15) will be entirely suspended where the Premises are not occupied for a period in excess of 60 consecutive days unless our written consent has been obtained before the Premises are left so unoccupied.

6. Contractual Agreements

a) We will not pay for, or our liability may be reduced, if you enter, or have entered (even before you entered into this contract of insurance), into an agreement, release, or undertaking which limits or excludes your rights of recovery against, or contribution from, a person or organisation unless such agreement, release, or undertaking has been allowed in this policy or by specific mention in your Certificate of Insurance.

b) We will reduce our liability by the same amount that the agreement, release, or undertaking has prevented you from recovering from that person or organisation.

7. Named Insureds

We do not insure any person or organisation who is not named in the Certificate of Insurance or referred to in the policy document.

8. Subrogation

- a) We are entitled to use your name in any proceedings to enforce for our benefit any rights, remedies, or orders in respect of any claim for:
- i. injury;
 - ii. damage to the Property; or
 - iii. costs or otherwise; and
- subject to the provisions of any statute which may apply, we have the right of subrogation in respect of all rights which you may have against any person, company, or other body who may be legally liable to you or otherwise in respect of any such claim.
- b) Any claimant under this policy must, at our request and expense, give information and assistance as may reasonably be required for enforcing any rights, remedies, obtaining relief, or indemnity from other parties to which we may be entitled or subrogated upon payment of any claims under this policy.

9. Cancellation

This policy may be cancelled by:

- a) you at any time notifying us in writing, in which case:
- i. cancellation takes place when we receive the notice;
 - ii. we will keep the Premium for the period that the policy was in force;
 - iii. we will return to you the Premium for the period from the date the policy ended to the due date of the policy; and
 - iv. we will not return any Premium for Section 14 (Tax Audit);
- b) us on grounds set out in the Insurance Contracts Act 1984, by giving you notice in writing, in which case:
- i. cancellation takes place at the time you enter into another contract of insurance intended to replace this policy, or at 4:00pm on the 30th day after delivery of the notice to you, whichever is earlier;
 - ii. we will refund the Premium paid for the unexpired Period of Insurance.

You must supply us with such particulars as we may require for the adjustment of the Premium following any cancellation.

10. Goods and Services Tax

Where payment is made under this policy for the acquisition of goods, services or other things, we will reduce the amount of payment by the amount of any input tax credit that you are, or will be, entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition.

Where payment is made under this policy as compensation instead of payment for the acquisition of goods, services or other things, we will reduce the amount of the payment by the amount of any input tax credit that you would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 had the payment been applied to acquire such goods, services or other things.

The Sum Insured or any amounts indicated in this policy are inclusive of Goods and Services Tax (GST).

11. Paying by Instalments

- a) If you are paying us by instalments for your insurance, and one instalment of Premium remains unpaid for 14 days, we may refuse to pay a claim altogether.
- b) Where we have not received an instalment payment:
- i. we will send you notice in writing regarding your non-payment at least 14 calendar days before any cancellation by us for non-payment;
 - ii. if, after sending the above notice, we do not receive the instalment payment we will send you a second notice in writing, either:
 - a. prior to cancellation, informing you that your policy is being cancelled for non-payment; or
 - b. within 14 days after cancellation by us, confirming our cancellation of your policy.

12. Premium Adjustment

You must furnish all information we may require for the adjustments of the Premium in accordance with the provisions of each Section of this policy.

13. Excess

- a) We will deduct from the amount to be paid to you the amount of Excess shown on the Certificate of Insurance or on this policy.
- b) Any Voluntary Excess and/or Additional Excess are in addition to the Basic Excess.
- c) You must pay all the Excesses that apply to the claim.
- d) We will apply the highest applicable Excess, or any aggregate Excess if more than one Section of the policy applies to any claim arising from the one event, unless:
- i. the claim applies across Section 6 Broadform Liability, Section 7 Personal Accident and Illness, Section 10 Motor Vehicles and Section 15 Domestic House and Contents;

then we will apply an Excess to each individual item as specified in the Certificate of Insurance across all applicable Sections as specified in (d)(i) above, in addition to the highest applicable Excess.

14. Conditions, Exclusions, and Definitions

Where a Specific Condition, Exclusion, or Definition is in conflict with a General Condition, Exclusion, or Definition, the Specific Condition, Exclusion, or Definition will apply.

15. Other Insurance

You must advise us in writing of any insurance already effected or which may subsequently be effected covering, whether in total or in part and whether absolutely or contingently, the insurance provided under this policy.

16. Disputes

All disputes arising out of, or under this policy, will be subject to determination by any Court of competent jurisdiction within the Commonwealth of Australia.

17. Governing Legislation

This policy is governed by the Insurance Contracts Act 1984. This policy and any person's rights pursuant to this policy will be read subject to this Act as it applies at the time of any claim or exercise of any right pursuant to this policy.

18. Electronic Communication

- a) It may be possible to have your policy documents sent to you electronically by e-mail. If you tell us to send your policy documents to you electronically, then we will send them to the e-mail address you give us rather than to your mailing address.
- b) Any policy documents we send to your e-mail address are considered to have been received by you 24 hours from when we send them. If you don't tell us to send your policy documents to you electronically, then we will send them by post to the mailing address you have given us.
- c) You are responsible for making sure the e-mail and mailing address we have for you are up to date.

CONTACT DETAILS

Enquiries 13 24 81

Claims 13 24 80

Mailing address

GPO Box 9902 in your capital city

Melbourne

181 William Street
Melbourne VIC 3000

Brisbane

189 Grey Street
South Bank QLD 4101

Perth

46 Colin Street
West Perth WA 6005

Adelaide

80 Flinders Street
Adelaide SA 5000



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